



## STATE BANK OF INDIA

The Bank of Calcutta was established in 1806 and was renamed as the Bank of Bengal in 1809. The Bank of Bombay and the Bank of Madras were opened for business in 1840 and 1843, respectively. In 1921, the three banks, i.e. the Bank of Bengal, the Bank of Bombay and the Bank of Madras were merged by an act of the legislature to form the Imperial Bank of India. Thereafter, on July 1, 1955, the Imperial Bank of India was nationalised and the State Bank of India was incorporated as a body corporate under the State Bank of India Act, 1955. For further details, see "General Information" on page 262.

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State Bank of India (the "Issuer" or the "Bank") is issuing 305,997,552 equity shares of face value ₹ 1 each (the "Equity Shares") at a price of ₹817.00 per Equity Share, including a premium of ₹816.00 per Equity Share (the "Issue Price"), aggregating to ₹250.00 billion (the "Issue"). For further details, see "Summary of the Issue" on page 28.

**ISSUE IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND THE STATE BANK OF INDIA ACT, 1955, AS AMENDED ("SBI ACT")**

THE ISSUE AND THE DISTRIBUTION OF THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS ("ELIGIBLE QIBs") AS DEFINED UNDER REGULATION 2(1)(ss) OF THE SEBI ICDR REGULATIONS IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS. THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT ARE PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO ELIGIBLE QIBs.

YOU ARE NOT AUTHORISED TO, AND MAY NOT, (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENT, OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT, IN WHOLE OR IN PART, IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS. THIS PLACEMENT DOCUMENT WILL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR BANK PRIOR TO MAKING AN INTIMATION TO SUBSCRIBE TO THE EQUITY SHARES.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST ANY AMOUNT IN THIS ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS WERE ADVISED TO CAREFULLY READ "RISK FACTORS" ON PAGE 36 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THIS ISSUE. EACH PROSPECTIVE INVESTOR WAS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS ISSUE. PROSPECTIVE INVESTORS WERE REQUIRED TO CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR BANK. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

Invitations for subscription, offers and sales of the Equity Shares were only made pursuant to the Preliminary Placement Document together with the respective Application Form and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "Issue Procedure" on page 210. The Preliminary Placement Document and this Placement Document relates to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made to the public or any other class of investors. The distribution of the Preliminary Placement Document and this Placement Document or the disclosure of their contents without the prior consent of our Bank to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document. The information on the websites of our Bank, Subsidiaries, Joint Ventures or Associates or any website directly or indirectly linked to the websites of our Bank, Subsidiaries, Joint Ventures or Associates or the website of the Book Running Lead Managers or their respective affiliates, does not form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

The outstanding Equity Shares are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE", and together with BSE, the "Stock Exchanges"). The closing price of the Equity Shares on BSE and NSE on July 18, 2025 was ₹823.30 and ₹823.35 per Equity Share, respectively. In-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations") for listing of the Equity Shares have been received from BSE and NSE each on July 16, 2025. Applications to the Stock Exchanges have been made for obtaining listing and trading approvals for the Equity Shares offered through the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of the business of our Bank or the Equity Shares.

Copies of the Preliminary Placement Document and this Placement Document have been delivered to the Stock Exchanges. The Preliminary Placement Document and this Placement Document have not been and will not be filed as a prospectus with the Registrar of Companies ("RoC") in India, and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. The Preliminary Placement Document and this Placement Document will not be registered as a private placement offer letter with the RoC. The Preliminary Placement Document and this Placement Document have not been reviewed by the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), the Stock Exchanges or the RoC or any other regulatory or listing authority and is intended only for use by the Eligible QIBs.

**OUR BANK HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE.**

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and, unless so registered, may not be offered, sold or delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are qualified institutional buyers (as defined in Regulation 144A under the U.S. Securities Act) ("U.S. QIBs") pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act, for avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Placement Document as "QIBs", and (b) outside the United States, in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdictions where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described in the sections titled "Selling Restrictions" and "Transfer Restrictions" on pages 224 and 233, respectively.

This Placement Document is dated July 21, 2025.

### BOOK RUNNING LEAD MANAGERS



Kotak Mahindra Capital Company Limited



SBI Capital Markets Limited\*



ICICI Securities Limited

Morgan Stanley

Morgan Stanley India Private Company Limited



HSBC Securities and Capital Markets (India) Private Limited



Citigroup Global Markets India Private Limited

\*SBI Capital Markets Limited, a subsidiary of our Bank, shall be involved only in marketing of the Issue in compliance with Regulation 21A of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended ("SEBI Merchant Bankers Regulations") and Regulation 174(2) of the SEBI ICDR Regulations.

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## NOTICE TO INVESTORS

Our Bank has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that, to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Bank, its Subsidiaries, Joint Ventures, Associates and the Equity Shares which we consider material in the context of the Issue. The statements contained in this Placement Document relating to our Bank, its Subsidiaries, Joint Ventures, Associates and the Equity Shares are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Bank and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Bank. There are no other facts in relation to our Bank and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Bank has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. The information contained in the Preliminary Placement Document and this Placement Document have been provided by our Bank and other sources identified herein.

Kotak Mahindra Capital Company Limited, SBI Capital Markets Limited, ICICI Securities Limited, Morgan Stanley India Company Private Limited, HSBC Securities and Capital Markets (India) Private Limited and Citigroup Global Markets India Private Limited (collectively, the “**Book Running Lead Managers**” or the “**BRLMs**”) have not separately verified the information contained in the Preliminary Placement Document and this Placement Document (financial, legal or otherwise). SBI Capital Markets Limited, a subsidiary of our Bank, shall be involved only in marketing of the Issue in compliance with Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 174(2) of the SEBI ICDR Regulations. Accordingly, neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by any of the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in the Preliminary Placement Document and this Placement Document or any other information supplied in connection with the Issue or the distribution of the Equity Shares. Each person receiving the Preliminary Placement Document and this Placement Document acknowledges that such person has not relied on either the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates in connection with such person’s investigation of the accuracy of such information or such person’s investment decision, and each such person was required to rely on its own examination of our Bank and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Bank or by or on behalf of the Book Running Lead Managers. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

**The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.**

The subscribers of the Equity Shares offered in the Issue will be deemed to make the representations, warranties, acknowledgments and agreements set forth in “*Notice to Investors*”, “*Representations by Investors*”, “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 2, 5, 224, and 233, respectively.

The distribution of the Preliminary Placement Document, this Placement Document and the issuance of Equity Shares pursuant to the Issue may be restricted by law in certain jurisdictions. As such, the Preliminary Placement Document and this Placement Document do not constitute and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. No action has been taken by our Bank and the Book Running Lead Managers which would permit an issue of the Equity Shares offered in the Issue or the distribution of the Preliminary Placement Document and this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document, this Placement Document nor any other Issue-related materials in connection with the Issue may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see “*Selling Restrictions*” on page 224.

The distribution of the Preliminary Placement Document, this Placement Document or the disclosure of its contents without the prior consent of our Bank to any person, other than Eligible QIBs specified by the Book Running Lead Managers or their

representatives, and those retained by such Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of the Preliminary Placement Document and this Placement Document, agrees to observe the foregoing restrictions and make no copies of the Preliminary Placement Document and this Placement Document or any offering material in connection with the Issue.

In making an investment decision, the prospective investors were required to rely on their own examination of our Bank and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of the Preliminary Placement Document and this Placement Document as legal, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Bank nor the Book Running Lead Managers are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under applicable legal, investment or similar laws or regulations. Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Bank under the applicable laws, including Chapter VI of the SEBI ICDR Regulations, SBI Act and the Banking Regulation Act, and is not prohibited by SEBI or any other regulatory, statutory or judicial authority from buying, selling or dealing in securities.

The information on the websites of our Bank, Subsidiaries, Joint Ventures or Associates or any website directly or indirectly linked to the websites of our Bank, Subsidiaries, Joint Ventures or Associates or the website of the Book Running Lead Managers or their respective affiliates, does not form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents. All references herein to “you” or “your” is to the prospective investors in the Issue.

The Bank does not undertake to update this Placement Document to reflect subsequent events after the date of this Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Bank. Neither the delivery of this Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Bank since the date hereof.

#### **NOTICE TO INVESTORS IN THE UNITED STATES**

**THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR ANY OTHER APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES, ONLY TO PERSONS WHO ARE U.S. QIB(S) PURSUANT TO SECTION 4(A)(2) OR ANOTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT; AND (B) OUTSIDE THE UNITED STATES, IN “OFFSHORE TRANSACTIONS” AS DEFINED AND IN RELIANCE ON REGULATION S AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES ARE MADE. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON TRANSFER OF THE EQUITY SHARES, SEE “SELLING RESTRICTIONS” AND “TRANSFER RESTRICTIONS” ON PAGES 224 AND 233, RESPECTIVELY.**

THE EQUITY SHARES OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH, OR APPROVED OR DISAPPROVED BY, THE SEC OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER UNITED STATES REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED ON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PLACEMENT DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES. IN MAKING AN INVESTMENT DECISION, INVESTORS WERE REQUIRED TO RELY ON THEIR OWN EXAMINATION OF OUR BANK AND THE TERMS OF THE OFFER, INCLUDING THE MERITS AND RISKS INVOLVED.

## **NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS**

For information to investors in certain other jurisdictions, see “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 224 and 233, respectively.

## REPRESENTATIONS BY INVESTORS

By bidding for and/or subscribing to any Equity Shares under the Issue, you are deemed to have represented, warranted to us and the Book Running Lead Managers, and acknowledged and agreed as follows:

- a. your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Bank or Subsidiaries or Associates or Joint Ventures that is not set forth in the Preliminary Placement Document and this Placement Document;
- b. you are a “Qualified Institutional Buyer” as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under the applicable laws and regulations of India and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allocated (as defined hereinafter) to you in accordance with Chapter VI of the SEBI ICDR Regulations, and undertake to comply with the SEBI ICDR Regulations and all other applicable laws, including in respect of reporting requirements in India, and to make necessary filings, including with the RBI, if any, in connection with the Issue;
- c. if you are not a resident of India, but an Eligible QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India and not an FVCI or a multilateral or bilateral development financial institution and that you are not an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules. You also confirm that you are eligible to invest in India under applicable laws, including those issued by the RBI, the SBI Act and the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory or statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;
- d. you confirm that you are not an FVCI;
- e. if you are Allotted Equity Shares pursuant to this Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the recognised Stock Exchanges (additional restrictions apply if you are within the United States and certain other jurisdictions), and in accordance with any other resale restrictions applicable for you. For further details, see “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 224 and 233, respectively;
- f. you are aware that the Equity Shares issued pursuant to this Issue have not been and will not be filed through a prospectus under the Companies Act, SEBI ICDR Regulations or under any other law in force in India, and pursuant to the Issue, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. The Preliminary Placement Document and this Placement Document have not been reviewed, verified or affirmed by RBI, SEBI, the Stock Exchanges or any other regulatory or listing authority and will not be filed with the RoC, and is intended only for use by Eligible QIBs. The Preliminary Placement Document and this Placement Document have been filed with the Stock Exchanges for record purposes only and will be displayed on the websites of our Bank and the Stock Exchanges;
- g. you are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdiction(s) which apply to you and you are aware of the additional requirements that are applicable if you are in jurisdictions other than India, as set forth under “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 224 and 233, respectively and you are permitted and have necessary capacity to acquire / subscribe to the Equity Shares under the laws of all relevant jurisdictions which apply to you and that you have fully observed such laws and obtained all such governmental and other consents in each case which may be required thereunder and complied with all necessary formalities and have obtained all necessary consents and approvals to enable you to commit to participation in this Issue and to perform your obligations in relation thereto (including, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;
- h. neither our Bank nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates is making any recommendation to you, advising you regarding the suitability of any transactions it may enter into in connection with the Issue and that participation in the Issue is on the basis that you are not and will not, up to the Allotment, be a client of any of the Book Running Lead Managers and that the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates have no duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are in no way acting in a fiduciary capacity to you;

- i. you confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Bank or its agents (“**Bank’s Presentations**”) with regard to our Bank, the Equity Shares or the Issue; or (ii) if you have participated in or attended any Bank’s Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have knowledge of the statements that our Bank or its agents may have made at such Bank’s Presentations and are therefore unable to determine whether the information provided to you at such Bank’s Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Managers have advised you not to rely in any way on any information that was provided to you at such Bank’s Presentations, and (b) confirm that, you have not been provided any material information relating to our Bank, the Equity Shares or the Issue that was not publicly available;
- j. you are aware that if you are Allotted more than 5.00% of the Equity Shares in the Issue, our Bank shall be required to disclose your name and the number of Equity Shares Allotted to you to the Stock Exchanges, and the Stock Exchanges will make the same available on their website and you consent to such disclosures being made by us;
- k. you are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law including but not limited to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, each as amended;
- l. all statements other than statements of historical fact included in the Preliminary Placement Document and this Placement Document, including, without limitation, those regarding our Bank’s financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Bank’s business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Bank’s present and future business strategies and environment in which our Bank will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of the Preliminary Placement Document and this Placement Document. Our Bank assumes no responsibility to update any of the forward-looking statements contained in the Preliminary Placement Document and this Placement Document;
- m. you have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document and have read them in their entirety, including, in particular, “*Risk Factors*” on page 36;
- n. you are aware and understand that the Equity Shares are being offered only to Eligible QIBs and are not being offered to the general public and the Allotment of the same shall be made by our Bank on a discretionary basis, in consultation with the Book Running Lead Managers;
- o. you have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgements and undertakings as set forth under “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 224 and 233, respectively;
- p. if you are within the United States, you are a U.S. QIB, who is acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the requirements of a U.S. QIB, for investment purposes only, and not with a view to, or for reoffer or resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part;
- q. if you are outside the United States, you are subscribing for the Equity Shares in an “offshore transaction” as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made;
- r. you are not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act) or directed selling efforts (as defined in Regulation S) and you understand and agree that offers and sales (a) in the United States, are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) under the U.S. Securities Act, Rule 144A or another available exemption from registration under the U.S. Securities Act, and the Equity Shares may not be eligible for resale under Rule 144A thereunder; and (b) outside the United States, are being made in “offshore transactions” as defined in and reliance on with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 224 and 233, respectively;
- s. you represent and agree that you will only reoffer, resell, pledge or otherwise transfer the Equity Shares (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in transactions meeting the requirements of Rule 144A or another exemption from the registration requirements of the U.S. Securities

Act or; (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act; and (B) in accordance with all applicable laws, including the securities laws of the states of the United States;

- t. that in making your investment decision, (i) you have relied on your own examination of our Bank and the terms of the Issue, including the merits and risks involved; (ii) you have made and will continue to make your own assessment of our Bank, the Equity Shares and the terms of the Issue based on such information as is publicly available; (iii) you have consulted your own independent counsel and advisors (including tax advisors) or otherwise have satisfied yourself concerning, without limitation, the effects of local laws and taxation matters; (iv) you have relied solely on the information contained in the Preliminary Placement Document and no other disclosure or representation by our Bank or the Book running Lead Managers or any other party; (v) you have received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Bank and the Equity Shares and; (vi) relied upon your investigation and resources in deciding to invest in the Issue. You are seeking to subscribe to / acquire the Equity Shares in this Issue for your own investment and not with a view to resale or distribution;
- u. You have made the payment for subscription to the Equity Shares pursuant to the Issue from your own bank account. In case of joint holders, the monies were to be paid from the bank account of the person whose name appeared first in the Application Form;
- v. you are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of entities in a similar nature of the business, similar stage of development, and in similar jurisdictions. You and any accounts for which you are subscribing the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares; (ii) will not look to our Bank and/or the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates for all or part of any such loss or losses that may be suffered including losses arising out of non-performance by our Bank of any of its respective obligations or any breach of any representations and warranties by our Bank, whether to you or otherwise; (iii) are able to sustain a complete loss on the investment in the Equity Shares; (iv) have no need for liquidity with respect to the investment in the Equity Shares; (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment;
- w. our Bank or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates have not provided you with any tax advice or otherwise made any representations regarding the tax consequences of the purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice and will not rely on the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates or our Bank when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You waive and agree not to assert any claim against the Book Running Lead Managers or our Bank or any other respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents, associates or affiliates with respect to the tax aspects of the Equity Shares or the Issue or as a result of any tax audits by tax authorities, wherever situated;
- x. you acknowledge that the Preliminary Placement Document does not, and this Placement Document does not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;
- y. where you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire the Equity Shares for each managed account; and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts;
- z. you are not a ‘promoter’ (as defined under the SEBI ICDR Regulations) of our Bank and are not a person related to the Promoter (as defined hereinafter), either directly or indirectly and your Application does not directly or indirectly represent the promoter or promoter group (as defined under the SEBI ICDR Regulations) of our Bank or a person related to the Promoter;
- aa. you have no rights under a shareholders agreement or voting agreement with the Promoter or promoter group, no veto rights or right to appoint any nominee director on the Board of our Bank, other than any rights acquired in the capacity of a lender not holding any Equity Shares of our Bank which shall not deem you to be a Promoter or a person related to the Promoter;
- bb. you had no right to withdraw or revise downwards your Application after the Bid/ Issue Closing Date (as defined hereinafter);



- cc. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder;
- dd. you are eligible to apply and hold Equity Shares so Allotted and together with any Equity Shares of our Bank held by you prior to the Issue. You further confirm that your holding upon the issue and allotment of the Equity Shares shall not exceed the level permissible as per any regulation applicable to you including the SBI Act and in the event of your holding of the Equity Shares reaches any applicable limits as may be prescribed, you have made and will make the appropriate disclosures and obtain the necessary permissions in this regard from the relevant authorities/RBI;
- ee. the Bid submitted by you would not eventually result in triggering an open offer under the SEBI Takeover Regulations (as defined hereinafter), and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;
- ff. your aggregate holding together with other prospective Investors participating in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:
- QIBs belonging to the “same group” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst a Eligible QIB, its subsidiary or holding company and any other Eligible QIB; and
  - ‘control’ shall have the same meaning as is assigned to it by clause 1 (e) of Regulation 2 of the SEBI Takeover Regulations (as defined hereinafter).
- gg. you shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approval for the Equity Shares is issued by the Stock Exchanges and if you are Allotted Equity Shares pursuant to this Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the recognised Stock Exchanges;
- hh. you are aware and understand that the Book Running Lead Managers have entered into a Placement Agreement (as defined hereinafter) with our Bank whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein agreed to manage the Issue and, undertaken to use its reasonable endeavours to seek to procure subscription for the Equity Shares on the terms and conditions set forth therein;
- ii. if you are an Eligible FPI as defined in this Placement Document, you confirm that you will participate in the Issue only under and in conformity with Schedule II of FEMA Rules and you confirm that you are not an FVCI or a multilateral or bilateral development financial institution and that you are not an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules. Further, you acknowledge that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) in our Bank does not exceed 10% of the post-Issue paid-up capital of our Bank on a fully diluted basis, and further with effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Bank;
- jj. you confirm that neither are you an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in which case, investment can only be through the Government approval route), and that your investment is in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT and Rule 6 of the FEMA Rules;
- kk. that the contents of the Preliminary Placement Document and this Placement Document are exclusively the responsibility of our Bank and that neither the Book Running Lead Managers nor any person acting on their behalf has or shall have any liability for any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or any information previously published by or on behalf of our Bank and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or otherwise. By participating in the Issue, you agree to the same and confirm that you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Book Running Lead Managers or our Bank or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents, associates or affiliates or any other person and neither the Book Running Lead Managers nor our Bank or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents, associates or affiliates nor any other person will be liable for your decision to

participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

- ll. that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in the Preliminary Placement Document and this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares issued in pursuance of the Issue and that you have neither received nor relied on any other information given or representations, warranties or statements made by or on behalf of the Book Running Lead Managers or our Bank or any of their respective affiliates or any other person, and neither the Book Running Lead Managers nor our Bank nor any other person will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;
- mm. that each of the representations, warranties, acknowledgements and agreements set forth above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares issued pursuant to the Issue;
- nn. you agree to indemnify and hold our Bank, its Directors, its senior managerial personnel and the Book Running Lead Managers and their respective shareholders, directors, officers, employees, counsel, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgments and agreements made by you in the Preliminary Placement Document and this Placement Document. You agree that the indemnity set forth in this section shall survive the resale of the Equity Shares Allotted under the Issue by or on behalf of the managed accounts;
- oo. that our Bank, the Book Running Lead Managers, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Book Running Lead Managers on their own behalf and on behalf of our Bank and are irrevocable and it is agreed that if any of such representations, warranties, acknowledgements, undertakings and agreements are no longer accurate, you will promptly notify the Book Running Lead Managers;
- pp. that you understand that none of the Book Running Lead Managers nor its respective affiliates has any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by us of any of our respective obligations or any breach of any representations or warranties by us, whether to you or otherwise;
- qq. that you are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and such approval has been received from the Stock Exchanges; and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final approvals for listing of the Equity Shares will be obtained in time or at all. Neither our Bank nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsel, affiliates, associates, controlling persons and representatives shall be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;
- rr. that you are a sophisticated investor who is seeking to purchase the Equity Shares for your own investment and not with a view to distribution. In particular, you acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares; and
- ss. any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of the Republic of India and the courts at Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document.

## OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations, i.e., as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as “**P-Notes**”), for which they may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with ‘know your client’ requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to the Preliminary Placement Document and this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis. The SEBI has issued the master circular dated May 30, 2024 for foreign portfolio investors, designated depository participants and eligible foreign investors (“**SEBI FPI Master Circular**”), to facilitate implementation of the SEBI FPI Regulations. In terms of the SEBI FPI Master Circular, the above mentioned restrictions shall also apply to subscribers of offshore derivative instruments and two or more subscribers of offshore derivative instruments having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Affiliates of the Book Running Lead Managers which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Bank and do not constitute any obligation of, claims on or interests in our Bank. our Bank has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Bank. Our Bank and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and does not constitute any obligations of or claims on the Book Running Lead Managers.

**Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto.**

**Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.**

## **DISCLAIMER CLAUSE OF THE STOCK EXCHANGES**

As required, a copy of the Preliminary Placement Document and this Placement Document have been submitted to the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of any of the contents of the Preliminary Placement Document and this Placement Document;
2. warrant that the Equity Shares pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or
3. take any responsibility for the financial or other soundness of our Bank, its Promoter, its management or any scheme or business activity of our Bank.

It should not for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Certain Conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to “you”, “your”, “offeree”, “purchaser”, “Bidder”, “subscriber”, “recipient”, “investors”, “prospective investors” and “potential investor” are to the Eligible QIBs who are the prospective investors of the Equity Shares in the Issue and references to the “Issuer”, “Bank” or “our Bank” are to the State Bank of India, on a standalone basis. All references to the “we”, “us” or “our” are to the State Bank of India, its Subsidiaries, Associates and Joint Ventures on a consolidated basis, unless otherwise specified or the context otherwise indicates or implies.

References in this Placement Document to “India” are to the Republic of India and its territories and possessions and the “Government” or the “Central Government” or the “state government” are to the Government of India, or the governments of any state in India, as applicable and as the case may be. All references herein to the “U.S.” or the “United States” are to the United States of America and its territories and possessions. References to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

### Page Numbers

Unless otherwise stated, all references to page numbers in this Placement Document are to page numbers of this Placement Document.

### Currency and Units of Presentation

In this Placement Document, references to “USD”, “\$”, “U.S.\$” and “U.S. dollars” are to the legal currency of the United States and references to, “₹”, “Rs.”, “INR” and “Rupees” are to the legal currency of India.

References to “lakhs” and “crores” in this Placement Document are to the following:

1. one lakh represents 100,000 (one hundred thousand);
2. ten lakhs represents 1,000,000 (one million);
3. one crore represents 10,000,000 (ten million);
4. ten crores represents 100,000,000 (one hundred million); and
5. one hundred crores represents 1,000,000,000 (one thousand million or one billion).

### Financial and Other Information

In this Placement Document, we have included the following financial statements prepared under Indian GAAP: (i) audited standalone and consolidated financial statements of our Bank prepared under Indian GAAP in accordance with the regulatory norms, directions and guidelines prescribed by the RBI, statutory guidelines of the SBI Act and the Banking Regulation Act, 1949, and the accounting practices prevalent in the banking industry in India for Financial Year 2024- 2025 read along with the notes thereto (the “**Financial Year 2024-2025 Audited Financial Statements**”); (ii) audited standalone and consolidated financial statements of our Bank prepared under Indian GAAP in accordance with the regulatory norms, directions and guidelines prescribed by the RBI, statutory guidelines of the SBI Act and the Banking Regulation Act, 1949, and the accounting practices prevalent in the banking industry in India for Financial Year 2023- 2024 read along with the notes thereto (the “**Financial Year 2023-2024 Audited Financial Statements**”); (iii) audited standalone and consolidated financial statements of our Bank prepared under Indian GAAP in accordance with the regulatory norms, directions and guidelines prescribed by the RBI, statutory guidelines of the SBI Act and the Banking Regulation Act, 1949, and the accounting practices prevalent in the banking industry in India for Financial Year 2022- 2023 read along with the notes thereto (the “**Financial Year 2022-2023 Audited Financial Statements**” and collectively with the Financial Year 2023-2024 Audited Financial Statements and Financial Year 2024-2025 Audited Financial Statements, the “**Audited Financial Statements**”).

The degree to which the financial information prepared in accordance with Indian GAAP will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

The Audited Financial Statements are prepared in accordance with Indian GAAP as applicable to banks, guidelines issued by the RBI from time to time, practices generally prevailing in the banking industry in India and the applicable standards on auditing. Our Bank prepares its financial statements in Rupees in accordance with Indian GAAP which differ in certain important aspects from U.S. GAAP and other accounting principles and standards on auditing with which prospective investors may be familiar in other countries. We have not attempted to quantify the impact of U.S. GAAP on the financial data included in this Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in this Placement

Document will provide meaningful information is entirely dependent on the reader's level of familiarity with the respective accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

The Fiscal Year of our Bank commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year. Unless otherwise stated, references in this Placement Document to a particular "Fiscal" or "Fiscal Year" or "FY" are to the fiscal year ended on March 31.

All figures appearing in this Placement Document have been rounded off to two decimal places. Accordingly, the figure shown as totals herein may not be an arithmetic aggregation of the figures which precede them.

## INDUSTRY AND MARKET DATA

Our Bank has not commissioned any industry report for the purposes of this Placement Document. Information regarding market position, market size, growth rates, other industry data and certain industry forecasts pertaining to the businesses of our Bank contained in this Placement Document consists of estimates, forecasts based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which our Bank competes. Unless stated otherwise, the statistical information included in this Placement Document relating to the industry in which our Bank operates has been reproduced from various trade, industry and government publications and websites.

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors were advised not to place undue reliance on or base their investment decision on this information. In certain cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring us to rely on internally developed estimates.

All such data is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither our Bank nor any of the Book Running Lead Managers have independently verified this data and do not make any representation regarding accuracy or completeness of such data. Our Bank takes responsibility for accurately reproducing such information but accepts no further responsibility in respect of such information, data, projections, forecasts, conclusions or any other information contained in this section. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so our Bank has relied on internally developed estimates. Similarly, while our Bank believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither our Bank nor any of the Book Running Lead Managers can assure potential investors as to their accuracy. Certain information contained herein pertaining to prior years is presented in the form of estimates as they appear in the respective reports/source documents. The actual data for those years may vary significantly and materially from the estimates so contained. See *“Risk Factors - Statistical and industry data in this Placement Document has been obtained from various government and industry publications and there can be no assurance regarding the accuracy and completeness of such information”* on page 63.

**The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.**

## **AVAILABLE INFORMATION**

Our Bank has agreed that, for so long as any Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, our Bank will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act, subject to compliance with the applicable provisions of Indian law.



## FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek to”, “should”, “will”, “will continue”, “will pursue”, “would”, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Bank are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Bank’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Bank’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts.

The forward-looking statements appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Bank concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Bank and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Bank, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

These forward-looking statements and any other projections contained in this Placement Document (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that they may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Bank that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

1. Our business is particularly vulnerable to interest rate risk, and any volatility in interest rates could adversely affect our net interest margins, the value of our fixed income portfolio, income from treasury operations, our financial condition and results of operations.
2. Our business and financial condition may be adversely affected in case of an increase in the level of non-performing assets in our portfolio or RBI mandated provisioning requirements.
3. Weakness or failures of our internal control system may cause significant operational errors, which may in turn materially and adversely affect our business and the price of the Equity Shares.
4. We are exposed to various categories of borrowers, depositors and industry sectors, and a default by any large borrower, premature withdrawal of deposits or a deterioration in the performance of any of these industry sectors in which we have significant exposure would adversely affect our results of operations, the quality of our portfolio and financial condition.
5. The level of restructured loans in our portfolio may increase and the failure of our restructured loans to perform as expected could adversely affect our business, results of operations and financial condition.
6. We are subject to the directed lending requirements of the RBI, and any shortfall in meeting these requirements may require us to invest in Government schemes that yield low returns, thereby impacting our profitability.
7. Our loan portfolio contains significant advances to the agricultural sector and any deterioration in the performance of the agricultural sector may lead to an increase in delinquency and adversely affect our business and financial condition. Further, any farm loan waiver programmes may have an adverse effect on our business and financial condition.
8. The Bank’s risk profile is linked to the Indian economy and the banking and financial markets in India, which are still evolving.
9. The Bank’s unsecured loan portfolio is not supported by any collateral to ensure repayment of the loan. Further, any such non-payment of unsecured loans or an inability to realize the value of collateral in case of secured loans, may adversely affect its financial condition.
10. Our business and financial performance are dependent on maintaining and building a successful branch network. An inability to maintain, increase our coverage and any inability to use these branches productively, may have an adverse impact on our growth and profitability.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “*Risk Factors*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Industry Overview*” and “*Our Business*” on pages 36, 77, 126 and 143, respectively.

Actual results may differ materially from those suggested by the forward-looking statements due to certain known or unknown risks or uncertainties associated with management’s expectations with respect to, but not limited to, the actual growth in demand for banking and other financial products and services, the management’s ability to successfully implement its strategy, future levels of impaired loans, the Bank’s growth and expansion, the adequacy of the Bank’s allowance for credit and investment losses, technological changes, investment income, the Bank’s ability to market new products, cash flow projections, the outcome of any legal or regulatory proceedings the Bank is or may become a party to, the future impact of new accounting standards, management’s ability to implement its dividend policy, the impact of Indian banking regulations on it, the Bank’s ability to roll over its short-term funding sources, the Bank’s exposure to market risks and the market acceptance of and demand for internet banking services.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Bank. Although our Bank believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither our Bank nor the Book Running Lead Managers undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our Bank’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Bank could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Bank are expressly qualified in their entirety by reference to these cautionary statements.

## ENFORCEMENT OF CIVIL LIABILITIES

Our Bank is a body corporate incorporated under the laws of India. A substantial portion of the assets of our Bank are located in India. As a result, it may not be possible for investors to effect service of process upon the Bank outside India, or to enforce judgments obtained against the Bank in courts outside of India.

Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Code on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except:

- where it has not been pronounced by a court of competent jurisdiction;
- where it has not been given on the merits of the case;
- where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;
- where the proceedings in which the judgment was obtained are opposed to natural justice;
- where it has been obtained by fraud; and
- where it sustains a claim founded on a breach of any law in force in India.

Under the Civil Code, a court in India shall presume, upon the production of any document purporting to be a certified copy of a foreign judgment, that such judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and does not include arbitration awards.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were to be brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. We cannot assure that such approval will be forthcoming within a reasonable period of time, or at all or that conditions of such approvals would be acceptable.

## EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupees and the U.S. dollar will affect the U.S. dollar equivalent of the Rupee price of the Equity Shares on BSE and NSE. These fluctuations will also affect the conversion into U.S. dollar of any cash dividends paid in Rupees on the Equity Shares. The exchange rate between the Rupee and US Dollar has been volatile over the past year.

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US\$) for, or as of, the end of the periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmarks India Private Limited (the “**FBIL**”), which are available on the website of the RBI and FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

### U.S. Dollar

| (₹ Per US\$)              |                           |                        |                     |                    |
|---------------------------|---------------------------|------------------------|---------------------|--------------------|
| Particulars               | Period End <sup>(1)</sup> | Average <sup>(2)</sup> | High <sup>(3)</sup> | Low <sup>(4)</sup> |
| <b>Fiscal Year ended:</b> |                           |                        |                     |                    |
| March 31, 2025            | 85.58                     | 84.57                  | 87.59               | 83.07              |
| March 31, 2024            | 83.37                     | 82.79                  | 83.40               | 81.65              |
| March 31, 2023            | 82.22                     | 80.39                  | 83.20               | 75.39              |
| <b>Month ended:</b>       |                           |                        |                     |                    |
| June 30, 2025             | 85.54                     | 85.90                  | 86.81               | 85.44              |
| May 31, 2025              | 85.48                     | 85.19                  | 85.69               | 83.86              |
| April 30, 2025            | 85.05                     | 85.56                  | 86.62               | 85.05              |
| March 31, 2025            | 85.58                     | 86.64                  | 87.38               | 85.58              |
| February 28, 2025         | 87.40                     | 87.05                  | 87.59               | 86.65              |
| January 31, 2025          | 86.64                     | 86.27                  | 86.64               | 86.71              |

(Source: [www.rbi.org.in](http://www.rbi.org.in) and [www.fbil.org.in](http://www.fbil.org.in), as applicable)

<sup>(1)</sup> The price for the period end refers to the price as on the last trading day of the respective fiscal year or quarterly or monthly periods.

<sup>(2)</sup> Average of the official rate for each Working Day of the relevant period.

<sup>(3)</sup> Maximum of the official rate for each Working Day of the relevant period.

<sup>(4)</sup> Minimum of the official rate for each Working Day of the relevant period.

**Notes:** If the exchange rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed. The exchange rates are rounded off to two decimal places.

Although our Bank has translated selected Indian rupee amounts in this Placement Document into USD for convenience, this does not mean that the Indian rupee amounts referred to could have been, or could be, converted to USD at any particular rate or, the rates stated above, or at all. There are certain restrictions on the conversion of Indian rupees into USD.

## DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Placement Document shall have the meaning as defined hereunder. Further, any references to any statute or regulations or policies shall include amendments thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms used in “*Selected Financial Information of our Bank*”, “*Taxation*”, “*Industry Overview*”, “*Legal Proceedings*” and “*Financial Statements*” on pages 32, 242, 126, 258 and 263, respectively, shall have the meaning given to such terms in such sections.

### General Terms

| Term                                 | Description                                                                                                                                                                                                                                                    |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Our “Bank”, the “Bank”, the “Issuer” | State Bank of India unless otherwise specified                                                                                                                                                                                                                 |
| “we” or “us” or “our” or “group”     | Unless the context requires otherwise, the Bank and its Subsidiaries, Associate and Joint Ventures.<br>For the purpose of financial information, “we” or “us” or “our” or “group” would mean our Bank and its Subsidiaries as at or during the relevant fiscal |

### Bank Related Terms

| Term                                    | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AEPS                                    | Aadhaar Enabled Payment Systems                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| AISBISF                                 | All India State Bank of India Staff Federation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| AISBOF                                  | All India State Bank Officers’ Federation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| ALCO                                    | The Asset Liability Management Committee of the Bank                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| ASBA                                    | Applications supported by blocked amount                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Associates                              | The associates of our Bank, namely:<br><br><b><u>Regional rural banks</u></b><br><br><ol style="list-style-type: none"> <li>1. Arunachal Pradesh Rural Bank;</li> <li>2. Chhattisgarh Rajya Gramin Bank;</li> <li>3. Jharkhand Rajya Gramin Bank;</li> <li>4. Meghalaya Rural Bank;</li> <li>5. Mizoram Rural Bank;</li> <li>6. Nagaland Rural Bank;</li> <li>7. Rajasthan Gramin Bank;</li> <li>8. Telangana Grameena Bank; and</li> <li>9. Uttarakhand Gramin Bank.</li> </ol><br><b><u>Others</u></b><br><br><ol style="list-style-type: none"> <li>1. Bank of Bhutan Limited;</li> <li>2. Yes Bank Limited; and</li> <li>3. Investec Capital Services (India) Private Limited</li> </ol> |
| Audit Committee / ACB                   | Audit Committee of the Central Board                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Auditor to the Issue                    | M/s. Varma & Varma, Chartered Accountants (one of the current statutory central auditors of our Bank)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Audited Financial Statements            | Collectively, the Financial Year 2022-2023 Audited Financial Statements, Financial Year 2023-2024 Audited Financial Statements and the Financial Year 2024-2025 Audited Financial Statements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Audited Standalone Financial Statements | Collectively, the audited standalone financial statements of our Bank prepared under Indian GAAP in accordance with the regulatory norms, directions and guidelines prescribed by the RBI, statutory guidelines of the SBI Act and the Banking Regulation Act, 1949, and the accounting practices prevalent in the banking industry in India as of, and for the Financial Years 2022- 2023, 2023-2024 and 2024-2025, read along with the notes thereto                                                                                                                                                                                                                                       |
| Auditors/Statutory Auditors             | The current statutory central auditors of our Bank being:<br><br><ol style="list-style-type: none"> <li>1. M/s. Ravi Rajan &amp; Co. LLP, Chartered Accountants;</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| Term                                                  | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                       | 2. M/s. Gokhale & Sathe, Chartered Accountants;<br>3. M/s. JLN US & Co., Chartered Accountants;<br>4. M/s R G N Price & Co., Chartered Accountants;<br>5. M/s. Rama K Gupta & Co., Chartered Accountants;<br>6. M/s. Vinod Kumar & Associates, Chartered Accountants;<br>7. M/s. Varma & Varma, Chartered Accountants;<br>8. M/s. O P Bagla & Co., Chartered Accountants;<br>9. M/s. Gopal Sharma & Co., Chartered Accountants;<br>10. M/s. B C Jain & Co., Chartered Accountants; and<br>11. M/s. S G C O & Co. LLP, Chartered Accountants |
| BCMS                                                  | Business Continuity Management System                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Committee of Directors                                | Committee of Directors of the Central Board                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Central Board or Board                                | Central Board of Directors of the Bank                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Constitutional Documents                              | SBI Act and SBI General Regulations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Central Office or Corporate Centre                    | State Bank Bhavan, Madame Cama Road, Mumbai 400 021, Maharashtra, India                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Chief Information Officer                             | Chief Information Officer of the Bank                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Deputy Managing Director(s) / DMD                     | Deputy Managing Director(s) of the Bank                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Directors                                             | Directors on the Central Board                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| ECCB                                                  | Executive Committee of the Central Board                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Equity Shares                                         | Equity shares of face value ₹ 1 each of our Bank                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Financial Statements                                  | Audited Financial Statements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Financial Year 2022-2023 Audited Financial Statements | Audited standalone and consolidated financial statements of our Bank prepared under Indian GAAP in accordance with the regulatory norms, directions and guidelines prescribed by the RBI, statutory guidelines of the SBI Act and the Banking Regulation Act, 1949, and the accounting practices prevalent in the banking industry in India for Financial Year 2022- 2023 read along with the notes thereto                                                                                                                                 |
| Financial Year 2023-2024 Audited Financial Statements | Audited standalone and consolidated financial statements of our Bank prepared under Indian GAAP in accordance with the regulatory norms, directions and guidelines prescribed by the RBI, statutory guidelines of the SBI Act and the Banking Regulation Act, 1949, and the accounting practices prevalent in the banking industry in India for Financial Year 2023- 2024 read along with the notes thereto                                                                                                                                 |
| Financial Year 2024-2025 Audited Financial Statements | Audited standalone and consolidated financial statements of our Bank prepared under Indian GAAP in accordance with the regulatory norms, directions and guidelines prescribed by the RBI, statutory guidelines of the SBI Act and the Banking Regulation Act, 1949, and the accounting practices prevalent in the banking industry in India for Financial Year 2024- 2025 read along with the notes thereto                                                                                                                                 |
| Group Chief Risk Officer/ GCRO                        | Group chief risk officer of the Bank                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Joint Ventures                                        | The joint ventures of our Bank, namely:<br><br>1. C-Edge Technologies Ltd.;<br>2. SBI Macquarie Infrastructure Management Pvt. Ltd.;<br>3. SBI Macquarie Infrastructure Trustee Pvt. Ltd.;<br>4. Macquarie SBI Infrastructure Management Pte. Ltd.;<br>5. Macquarie SBI Infrastructure Trustee Ltd.;<br>6. Oman India Joint Investment Fund - Management Company Pvt. Ltd.; and<br>7. Oman India Joint Investment Fund – Trustee Company Private Limited                                                                                    |
| Managing Director(s)                                  | Managing Director(s) of our Bank                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Material Subsidiary                                   | Material Subsidiary of our Bank, namely: SBI Life Insurance Company Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Promoter                                              | The promoter of our Bank namely, the President of India, acting through the Ministry of Finance, Government of India                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Senior Management                                     | Members of the senior management of our Bank as determined in accordance with the Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, and as disclosed in the section titled “ <i>Board of Directors and Senior Management</i> ” on page 181                                                                                                                                                                                                                                                                                                |
| Shareholders                                          | Equity shareholders of our Bank, from time to time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Subsidiaries                                          | Subsidiaries of our Bank, namely:<br><br><u><b>Domestic Non-Banking Subsidiaries</b></u><br><br>1. SBI - SG Global Securities Services Private Limited;<br>2. SBI Capital Markets Limited*;<br>3. SBI Cards and Payment Services Limited;<br>4. SBI CDMDF Trustee Private Limited;<br>5. SBI DFHI Limited;<br>6. SBI Factors Limited (formerly known as SBI Global Factors Limited);<br>7. SBI Foundation (a Not-For-Profit Company);<br>8. SBI Funds Management Limited;<br>9. SBI General Insurance Company Limited;                      |

| Term | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      | 10. SBI Life Insurance Company Limited;<br>11. SBI Mutual Fund Trustee Company Private Limited;<br>12. SBI Payment Services Private Limited;<br>13. SBI Venture Limited (formerly known as SBICAP Ventures Limited);<br>14. SBICAP Securities Limited;<br>15. SBI Pension Funds Private Limited;<br>16. SBICAP Trustee Company Limited; and<br>17. State Bank Operations Support Services Private Limited.<br><br><b><u>Foreign Banking Subsidiaries</u></b><br><br>1. Commercial Indo Bank LLC, Moscow;<br>2. Nepal SBI Bank Ltd;<br>3. PT Bank SBI Indonesia;<br>4. SBI (Mauritius) Ltd.;<br>5. SBI Canada Bank;<br>6. State Bank of India (California); and<br>7. State Bank of India (UK) Limited.<br><br><b><u>Foreign Non-Banking Subsidiaries</u></b><br><br>1. Nepal SBI Merchant Banking Ltd;<br>2. SBI Funds International (IFSC) Ltd.<br>3. SBI Funds Management (International) Pvt. Ltd.; and<br>4. State Bank of India Servicos Limitada.<br><br><i>*SBI Capital Markets Limited, a subsidiary of our Bank, shall be involved only in marketing of the Issue in compliance with Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 174(2) of the SEBI ICDR Regulations.</i> |
| UPI  | Unified payments interface                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

## Issue Related Terms

| Term                                | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Allocated/Allocation                | The allocation of Equity Shares, by our Bank in consultation with the Book Running Lead Managers, following the determination of the Issue Price to successful Bidders on the basis of the Application Form submitted by them, and in compliance with Chapter VI of the SEBI ICDR Regulations and other applicable laws                                                                                                                                                                                                                                                            |
| Allotted/Allotment/Allot            | Unless the context otherwise requires, issue and allotment of Equity Shares to successful Bidders pursuant to this Issue                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Allottee                            | Bidders to whom the Equity Shares are Allotted pursuant to the Issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Application Form                    | The form (including any revisions thereof) which has been submitted by an Eligible QIB for registering a Bid in the Issue during the Bid/ Issue Period                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Bid(s)                              | An indication of interest of a Bidder to subscribe for the Equity Shares in the Issue as provided in the Application Form (including all revisions and modifications thereto). The term "Bidding" shall be construed accordingly.                                                                                                                                                                                                                                                                                                                                                  |
| Bid Amount                          | With respect to each Bidder, the amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by such Bidder                                                                                                                                                                                                                                                                                                                                                                                                            |
| Bid/Issue Closing Date              | July 21, 2025, the date after which our Bank (or BRLMs on behalf of our Bank) ceased acceptance of Application Forms and the Bid Amount.                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Bid/Issue Opening Date              | July 16, 2025, the date on which our Bank (or the Book Running Lead Managers on behalf of our Bank) commenced acceptance of the Application Forms and the Bid Amount                                                                                                                                                                                                                                                                                                                                                                                                               |
| Bid/Issue Period                    | Period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders submitted their Bids including any revision and/or modification thereof along with the Bid Amount.                                                                                                                                                                                                                                                                                                                                              |
| Bidder                              | Eligible QIB, who has made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Book Running Lead Managers/ BRLMs   | The book running lead managers to the Issue, in this case being Kotak Mahindra Capital Company Limited, SBI Capital Markets Limited*, ICICI Securities Limited, Morgan Stanley India Company Private Limited, HSBC Securities and Capital Markets (India) Private Limited and Citigroup Global Markets India Private Limited<br><br><i>*SBI Capital Markets Limited, a subsidiary of our Bank, shall be involved only in marketing of the Issue in compliance with Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 174(2) of the SEBI ICDR Regulations.</i> |
| CAN/Confirmation of Allocation Note | Note or advice or intimation to Successful Bidders confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Closing Date                        | The date on which Allotment of the Equity Shares pursuant to the Issue shall be expected to be made, i.e., on or about July 21, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| Term                                   | Description                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Designated Date                        | The date of credit of Equity Shares to the Allottees' demat account, pursuant to the Issue, as applicable to the relevant Allottees                                                                                                                                                                                                                                                                                |
| Eligible FPIs                          | FPIs that were eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices                                                                                                                                                                                                                                                                       |
| Eligible QIB(s)                        | A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations which (i) is not restricted from participating in the Issue under the applicable laws, and (ii) is a resident of India or is an Eligible FPI participating through Schedule II of the FEMA Rules                                                                                                                   |
| Escrow Account                         | Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened in the name and style "Escrow Account State Bank of India QIP 2025" with the Escrow Agent, subject to the terms of the Escrow Agreement into which the Application Amount payable by the Bidders in connection with the subscription to the Equity Shares pursuant to the Issue shall be deposited |
| Escrow Agent                           | State Bank of India, Financial Institutions Branch, Mumbai                                                                                                                                                                                                                                                                                                                                                         |
| Escrow Agreement                       | The escrow agreement dated July 16, 2025 entered into amongst our Bank, the Escrow Agent and the Book Running Lead Managers                                                                                                                                                                                                                                                                                        |
| Floor Price                            | The floor price of ₹ 811.05 per Equity Share which has been calculated in accordance with Regulation 176 of Chapter VI of the SEBI ICDR Regulations                                                                                                                                                                                                                                                                |
| Gross Proceeds                         | The gross proceeds of the Issue. For details, see "Use of Proceeds"                                                                                                                                                                                                                                                                                                                                                |
| Issue                                  | Issue of 305,997,552 Equity Shares of face value ₹ 1 each at a price of ₹817.00 per Equity Share, including a premium of ₹816.00 per Equity Share, pursuant to this Placement Document aggregating to ₹250.00 billion                                                                                                                                                                                              |
| Issue Price                            | ₹817.00 per Equity Share                                                                                                                                                                                                                                                                                                                                                                                           |
| Mutual Fund                            | A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996                                                                                                                                                                                                                                                                                               |
| Mutual Fund Portion                    | 10% of the Equity Shares proposed to be Allotted in the Issue, which was made available for Allocation to Mutual Funds                                                                                                                                                                                                                                                                                             |
| Placement Agreement                    | The placement agreement dated July 16, 2025 entered into amongst our Bank and the Book Running Lead Managers                                                                                                                                                                                                                                                                                                       |
| Placement Document                     | This placement document dated July 21, 2025 issued by our Bank in accordance with Chapter VI of the SEBI ICDR Regulations                                                                                                                                                                                                                                                                                          |
| Preliminary Placement Document         | The preliminary placement document dated July 16, 2025 issued by our Bank in accordance with Chapter VI of the SEBI ICDR Regulations                                                                                                                                                                                                                                                                               |
| Qualified Institutional Buyers or QIBs | Qualified institutional buyers, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations                                                                                                                                                                                                                                                                                                                  |
| QIP                                    | Qualified institutions placement under chapter VI of the SEBI ICDR Regulations                                                                                                                                                                                                                                                                                                                                     |
| Refund Amount                          | The aggregate amount to be returned to the Bidders, who have not been Allocated Equity Shares for all or a part of the Bid Amount submitted by such Bidder pursuant to the Issue                                                                                                                                                                                                                                   |
| Refund Intimation Letter               | Letters from our Bank intimating the Bidders on the amount to be refunded, if any, either in part or whole, to their respective bank accounts.                                                                                                                                                                                                                                                                     |
| Relevant Date                          | July 16, 2025, being the date of the meeting in which a committee of Directors (duly authorised by the Board), decided to open the Issue in accordance with the SEBI ICDR Regulations                                                                                                                                                                                                                              |
| Stock Exchanges                        | BSE and NSE                                                                                                                                                                                                                                                                                                                                                                                                        |
| Successful Bidders                     | The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount (along with the Application Form) and who have been Allocated Equity Shares in the Issue                                                                                                                                                                                                                                            |
| Working Day                            | Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India                                                                                                                                                                                              |

### Conventional and General Terms/Abbreviations

| Term                               | Description                                                                                                                                                                                                                                                                                              |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| INR/ Rupees/ ₹/ Indian Rupees/ Rs. | Indian Rupees                                                                                                                                                                                                                                                                                            |
| AGM                                | Annual general meeting                                                                                                                                                                                                                                                                                   |
| AIF(s)                             | Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012                                                                                                                                      |
| AMC                                | Asset management company                                                                                                                                                                                                                                                                                 |
| AOP                                | Association of persons                                                                                                                                                                                                                                                                                   |
| App                                | Mobile application                                                                                                                                                                                                                                                                                       |
| AS                                 | Accounting Standards issued by ICAI                                                                                                                                                                                                                                                                      |
| AY                                 | Assessment year                                                                                                                                                                                                                                                                                          |
| Banking Ombudsman Scheme           | Integrated Ombudsman Scheme, 2021                                                                                                                                                                                                                                                                        |
| Banking Regulation Act             | The Banking Regulation Act, 1949, as amended                                                                                                                                                                                                                                                             |
| Basel III                          | A global regulatory framework for more resilient banks and banking systems published by the Bank for International Settlements. RBI issued guidelines on the implementation of Basel III capital regulations in India on May 2, 2012 and revised as per notification issued by the RBI on March 27, 2014 |
| Billion                            | 1,000 million                                                                                                                                                                                                                                                                                            |



| Term                                          | Description                                                                                                                                                                  |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BSE                                           | BSE Limited                                                                                                                                                                  |
| Calendar Year                                 | Year ending on December 31                                                                                                                                                   |
| CBI                                           | Central Bureau of Investigation                                                                                                                                              |
| CCI                                           | Competition Commission of India                                                                                                                                              |
| CDR                                           | Corporate debt restructuring                                                                                                                                                 |
| CDR System                                    | A joint forum of banks and financial institutions in India established in 2001 as an institutional mechanism for corporate debt restructuring                                |
| CDSL                                          | Central Depository Services (India) Limited                                                                                                                                  |
| CII                                           | Confederation of Indian Industry                                                                                                                                             |
| CIN                                           | Corporate identity number                                                                                                                                                    |
| CMP                                           | Cash Management Product                                                                                                                                                      |
| Civil Code                                    | The Code of Civil Procedure, 1908                                                                                                                                            |
| Companies Act                                 | The Companies Act, 1956 or the Companies Act, 2013, as applicable                                                                                                            |
| Competition Act                               | The Competition Act, 2002                                                                                                                                                    |
| Companies Act, 1956                           | The Companies Act, 1956 and the rules made thereunder                                                                                                                        |
| Companies Act, 2013                           | The Companies Act, 2013 and the rules made thereunder                                                                                                                        |
| Consolidated FDI Policy                       | The Consolidated FDI Policy notified by the DPIIT under DPIIT File Number 5(2)/2020- FDI Policy dated the October 15, 2020, effective from October 15, 2020, as amended      |
| Depositories Act                              | The Depositories Act, 1996                                                                                                                                                   |
| Depository                                    | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996                                          |
| Depository Participant                        | A depository participant as defined under the Depositories Act                                                                                                               |
| DIPT                                          | Department for Promotion of Industry and Internal Trade ( <i>Formerly known as Department of Industrial Policy and Promotion</i> )                                           |
| EBITDA                                        | Earnings before interest, tax, depreciation and amortisation                                                                                                                 |
| ECB                                           | External commercial borrowing                                                                                                                                                |
| ECS                                           | Electronic clearing service                                                                                                                                                  |
| Eligible FPIs                                 | FPIs that are eligible to participate in this Issue                                                                                                                          |
| FCNR(B)                                       | Foreign currency non-resident (bank)                                                                                                                                         |
| FDI                                           | Foreign direct investment                                                                                                                                                    |
| FEMA                                          | The Foreign Exchange Management Act, 1999 and the regulations issued thereunder                                                                                              |
| FEMA Rules/ FEMA Non-Debt Rules               | The Foreign Exchange Management (Non-debt Instruments) Rules, 2019                                                                                                           |
| FICCI                                         | Federation of Indian Chambers of Commerce and Industry                                                                                                                       |
| Fiscal or Fiscal Year or Financial Year or FY | Period of 12 months ended 31 March of that particular year, unless otherwise stated                                                                                          |
| FPI                                           | Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.                          |
| FRA/IRS                                       | Forward rate agreements/interest rate swaps                                                                                                                                  |
| FVCI                                          | Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| GAAP                                          | Generally accepted accounting principles                                                                                                                                     |
| GAAR                                          | General Anti-Avoidance Rules                                                                                                                                                 |
| GDP                                           | Gross domestic product                                                                                                                                                       |
| GIR                                           | General index registrar                                                                                                                                                      |
| GoI/Government                                | Government of India, unless otherwise specified                                                                                                                              |
| Group                                         | Bank, its Subsidiaries, Associates and Joint Ventures                                                                                                                        |
| GST                                           | Goods and services tax; a reform to Indian tax laws relating to indirect taxes on goods and services                                                                         |
| HNIs                                          | High net worth individuals                                                                                                                                                   |
| HR                                            | Human resources                                                                                                                                                              |
| HUF                                           | Hindu undivided family                                                                                                                                                       |
| IBA                                           | Indian Bank's Association                                                                                                                                                    |
| IBC                                           | Insolvency and Bankruptcy Code, 2016                                                                                                                                         |
| ICAI                                          | The Institute of Chartered Accountants of India                                                                                                                              |
| ICRA                                          | ICRA Limited                                                                                                                                                                 |
| IFRS                                          | International Financial Reporting Standards of the International Accounting Standards Board                                                                                  |
| IMF                                           | International Monetary Fund                                                                                                                                                  |
| IND AS                                        | Indian Accounting Standards converged with IFRS                                                                                                                              |
| India                                         | The Republic of India                                                                                                                                                        |
| Indian GAAP                                   | Generally Accepted Accounting Principles of India as applicable to banks                                                                                                     |
| ISO                                           | International Standards Organisation                                                                                                                                         |
| IT                                            | Information technology                                                                                                                                                       |
| IT Act                                        | The Income-tax Act, 1961                                                                                                                                                     |
| ITES                                          | Information technology enabled services                                                                                                                                      |
| MAT                                           | Minimum alternate tax                                                                                                                                                        |
| MCA                                           | The Ministry of Corporate Affairs, Government of India                                                                                                                       |
| MoF                                           | Ministry of Finance                                                                                                                                                          |

| Term                              | Description                                                                                                                                                                                                                                                                        |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MoU                               | Memorandum of understanding                                                                                                                                                                                                                                                        |
| MSEs                              | Micro and small enterprises                                                                                                                                                                                                                                                        |
| NA                                | Not Applicable                                                                                                                                                                                                                                                                     |
| Nationalised Bank Scheme          | The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970                                                                                                                                                                                                      |
| NAV                               | Net asset value                                                                                                                                                                                                                                                                    |
| NEAT                              | National Exchange for Automated Trading                                                                                                                                                                                                                                            |
| NEFT                              | National electronic fund transfer                                                                                                                                                                                                                                                  |
| NGOs                              | Non-government organizations                                                                                                                                                                                                                                                       |
| NPCI                              | National Payments Corporation of India                                                                                                                                                                                                                                             |
| NRE                               | Non-resident (external)                                                                                                                                                                                                                                                            |
| NRI                               | Non-resident Indian                                                                                                                                                                                                                                                                |
| NRO                               | Non-resident (ordinary)                                                                                                                                                                                                                                                            |
| NSDL                              | National Securities Depository Limited                                                                                                                                                                                                                                             |
| NSE                               | National Stock Exchange of India Limited                                                                                                                                                                                                                                           |
| OFAC                              | Office of Foreign Assets Control of the U.S. Treasury Department                                                                                                                                                                                                                   |
| p.a                               | Per annum                                                                                                                                                                                                                                                                          |
| PAN                               | Permanent account number                                                                                                                                                                                                                                                           |
| PDAI                              | Primary Dealers Association of India                                                                                                                                                                                                                                               |
| PFRDA                             | Pension Fund Regulatory and Development Authority                                                                                                                                                                                                                                  |
| PMLA                              | The Prevention of Money Laundering Act, 2002                                                                                                                                                                                                                                       |
| Prudential Framework              | The Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019.                                                                                                                                                                                |
| Prudential Norms                  | Master Circular of RBI on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated April 1, 2025                                                                                                                                 |
| PTC                               | Pass through certificate                                                                                                                                                                                                                                                           |
| RBI                               | Reserve Bank of India                                                                                                                                                                                                                                                              |
| RBI Act                           | The Reserve Bank of India Act, 1934                                                                                                                                                                                                                                                |
| RDB                               | The Recovery of Debts and Bankruptcy Act, 1993                                                                                                                                                                                                                                     |
| Regulation D                      | Regulation D under the U.S. Securities Act                                                                                                                                                                                                                                         |
| Regulation S                      | Regulation S under the U.S. Securities Act                                                                                                                                                                                                                                         |
| Rule 144A                         | Rule 144A under the U.S. Securities Act                                                                                                                                                                                                                                            |
| RWA                               | Risk weighted assets                                                                                                                                                                                                                                                               |
| SARFAESI Act                      | The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002                                                                                                                                                                           |
| SBFTC                             | State Bank Foreign Travel Card                                                                                                                                                                                                                                                     |
| SBI Act                           | The State Bank of India Act, 1955                                                                                                                                                                                                                                                  |
| SBI General                       | SBI General Insurance Company Limited                                                                                                                                                                                                                                              |
| SBI General Regulations           | The State Bank of India General Regulations, 1955                                                                                                                                                                                                                                  |
| SCBs                              | Scheduled commercial banks                                                                                                                                                                                                                                                         |
| SCRA                              | The Securities Contracts (Regulation) Act, 1956                                                                                                                                                                                                                                    |
| SCRR                              | The Securities Contracts (Regulation) Rules, 1957                                                                                                                                                                                                                                  |
| SEBI                              | The Securities and Exchange Board of India                                                                                                                                                                                                                                         |
| SEBI Act                          | The Securities and Exchange Board of India Act, 1992                                                                                                                                                                                                                               |
| SEBI FPI Regulations              | The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019                                                                                                                                                                                         |
| SEBI Insider Trading Regulations  | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015                                                                                                                                                                                      |
| SEBI Listing Regulations          | The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015                                                                                                                                                                     |
| SEBI Merchant Bankers Regulations | Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992                                                                                                                                                                                                        |
| SEBI ICDR Regulations             | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018                                                                                                                                                                        |
| SEBI Takeover Regulations         | The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011                                                                                                                                                                     |
| SEC                               | United States Securities and Exchange Commission                                                                                                                                                                                                                                   |
| SIDBI                             | Small Industries Development Bank of India                                                                                                                                                                                                                                         |
| STT                               | Securities transaction tax                                                                                                                                                                                                                                                         |
| STU                               | Strategic Training Unit                                                                                                                                                                                                                                                            |
| U.K.                              | United Kingdom                                                                                                                                                                                                                                                                     |
| U.S. GAAP                         | Generally Accepted Accounting Principles in the United States                                                                                                                                                                                                                      |
| U.S. QIBs                         | “Qualified Institutional Buyers” as defined in Rule 144A under the U.S. Securities Act                                                                                                                                                                                             |
| U.S. Securities Act               | United States Securities Act of 1933, as amended                                                                                                                                                                                                                                   |
| USA/U.S. /United States           | The United States of America                                                                                                                                                                                                                                                       |
| USD/U.S. \$ /U.S. dollar          | United States Dollar, the legal currency of the United States of America                                                                                                                                                                                                           |
| VCF                               | Venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be |
| WOS                               | Wholly owned subsidiaries                                                                                                                                                                                                                                                          |
| WPI                               | Wholesale price index                                                                                                                                                                                                                                                              |

## Industry Related Terms

| Term/Abbreviation                     | Full Form/Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AMFI Average AUM Data                 | Data on average assets under management hosted by the Association of Mutual Funds in India, available at <a href="https://www.amfiindia.com/research-information/aum-data/average-aum">https://www.amfiindia.com/research-information/aum-data/average-aum</a>                                                                                                                                                                                                                                                                                                                                                                                                       |
| AMFI Classified Average AUM Data      | Data on classified average assets under management hosted by the Association of Mutual Funds in India, available at <a href="https://www.amfiindia.com/research-information/aum-data/classified-average-aum">https://www.amfiindia.com/research-information/aum-data/classified-average-aum</a>                                                                                                                                                                                                                                                                                                                                                                      |
| ATMs                                  | Automated Teller Machines                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| BSI                                   | Banking Stability Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| CASA                                  | Current and savings account                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| CPI                                   | Consumer Price Index                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| CRR                                   | Cash Reserve Ratio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| CRAR                                  | Capital to risk weighted asset ratio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| DCBS                                  | Department of Cooperative Bank Supervision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| ECAI                                  | External credit assessment institutions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| EOM                                   | Expenses of Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| FCs                                   | Financial Conglomerates                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| GI Council Segment Data               | Segment wise reports hosted by the General Insurance Council for March, 2025, available at <a href="https://www.gicouncil.in/statistics/industry-statistics/segment-wise-report-on-homepage/">https://www.gicouncil.in/statistics/industry-statistics/segment-wise-report-on-homepage/</a>                                                                                                                                                                                                                                                                                                                                                                           |
| GNPA                                  | Gross Non-Performing Asset                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| GST                                   | Goods and Service Tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| GVA                                   | Gross Value Added                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| HFC                                   | Housing Finance Companies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| IFSC                                  | International Financial Services Centre                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| LABs                                  | Local Area Banks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| LAF                                   | Liquidity Adjustment Facility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| LCR                                   | Liquidity Cover Ratio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| LI Council NBP Data                   | Data on New Business Performance provided by the Life Insurance Council for March, 2025, available at <a href="https://www.lifeinscouncil.org/industry%20information/nbp.aspx">https://www.lifeinscouncil.org/industry%20information/nbp.aspx</a>                                                                                                                                                                                                                                                                                                                                                                                                                    |
| MIF                                   | Micro Finance Institutions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| MPC                                   | Monetary Policy Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| MOPS                                  | Multi-option payment system                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| MSME                                  | Micro, Small and Medium Enterprises                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| MTM                                   | Market to Market                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| MSF                                   | Marginal Standing Facility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| NABARD                                | National Bank for Agriculture and Rural Development                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| NBFC                                  | Non Banking Financial Companies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| NHB                                   | National Housing Bank                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| NDTL                                  | Net Demand and Time Liabilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| NPA                                   | Non-Performing Asset                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| NPS AUM Data                          | National Pension Scheme data on assets under management as of March 31, 2025, available at <a href="https://npstrust.org.in/">https://npstrust.org.in/</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| NNPA                                  | Net Non-Performing Asset                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| NSFR                                  | Net stable funding ratio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| NSO                                   | National Statistical Office                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| MPC                                   | Monetary Policy Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| OMO                                   | Open Market Operation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| PCA                                   | Prompt corrective action                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| PCR                                   | Provision Coverage Ratio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| PMI                                   | Purchasing managers' Index                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| PMJDY Data                            | Bank-wise data from Pradhan Mantri Jan Dhan Yojana, available at <a href="https://www.pmjdy.gov.in/BankwiseLatest">https://www.pmjdy.gov.in/BankwiseLatest</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| PSBs                                  | Public Sector Banks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| PMS                                   | Portfolio Management Services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| PSEs                                  | Public Sector Enterprises                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| PSLCs                                 | Priority Sector Lending Certificates                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| PVBs                                  | Private Sector Banks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Repo Rate                             | Re-purchase option rate; the annual rate at which RBI lends to other banks in India                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Reverse Repo Rate                     | The rate at which RBI borrows money from banks in India                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| RBI ATM/POS/Card Statistics           | RBI Data Release on Bankwise ATM/POS/Card Statistics for March, 2025, available at <a href="https://www.rbi.org.in/Scripts/ATMView.aspx?atmid=169">https://www.rbi.org.in/Scripts/ATMView.aspx?atmid=169</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| RBI Publication on Deposits with SCBs | Annual Basic Statistical Return (BSR)-2 on Deposits with Scheduled Commercial Banks - (Including Regional Rural Banks) > Basic Statistical Return (BSR)- 2 - Deposits with SCBs, published by RBI and available at <a href="https://data.rbi.org.in/DBIE/#/dbie/reports/Publication/Time-Series%20Publications/Annual%20Basic%20Statistical%20Return%20%28BSR%29-2%20on%20Deposits%20with%20Scheduled%20Commercial%20Banks%20-%20%28Including">https://data.rbi.org.in/DBIE/#/dbie/reports/Publication/Time-Series%20Publications/Annual%20Basic%20Statistical%20Return%20%28BSR%29-2%20on%20Deposits%20with%20Scheduled%20Commercial%20Banks%20-%20%28Including</a> |

| Term/Abbreviation                  | Full Form/Description                                                                                                                                                                                                                                                                                       |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                    | %20Regional%20Rural%20Banks%29/Basic%20Statistical%20Return%20%28BSR%29-%20%20-%20Deposits%20with%20SCBs                                                                                                                                                                                                    |
| RBI Release on Sectoral Deployment | Press release dated April 30, 2025 on Sectoral Deployment of Bank Credit – March 2025, available at <a href="https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR21734C6949F198049598E30450C719D28ED.PDF">https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR21734C6949F198049598E30450C719D28ED.PDF</a> |
| RRB                                | Regional rural bank                                                                                                                                                                                                                                                                                         |
| RTGS                               | Real time gross settlement                                                                                                                                                                                                                                                                                  |
| SBNs                               | Specified bank notes                                                                                                                                                                                                                                                                                        |
| SDF                                | Standing Deposit Facility                                                                                                                                                                                                                                                                                   |
| SDR                                | Strategic Debt Restructuring                                                                                                                                                                                                                                                                                |
| SFBs                               | Small Finance Banks                                                                                                                                                                                                                                                                                         |
| SLR                                | Statutory liquidity ratio (as per requirements of the RBI)                                                                                                                                                                                                                                                  |
| S4A                                | Sustainable Structuring of Stressed Assets                                                                                                                                                                                                                                                                  |
| SME                                | Small and medium enterprises                                                                                                                                                                                                                                                                                |
| SFBs                               | Small Finance Banks                                                                                                                                                                                                                                                                                         |
| SMA                                | Special Mention Account                                                                                                                                                                                                                                                                                     |
| SPARC                              | Supervisory Programme for Assessment of Risk and Capital                                                                                                                                                                                                                                                    |
| Tier I Capital                     | Tier I capital instruments as defined under the guidelines on capital adequacy issued by RBI                                                                                                                                                                                                                |
| Tier II Capital                    | Tier II capital instruments as defined under the guidelines on capital adequacy issued by RBI                                                                                                                                                                                                               |
| UAN                                | Udyog Aadhaar Number                                                                                                                                                                                                                                                                                        |
| UCBs                               | Urban Cooperative Banks                                                                                                                                                                                                                                                                                     |
| UPI Ecosystem Statistics           | Data published by the National Payments Corporation of India on UPI Ecosystem Statistics, available at <a href="https://www.npci.org.in/what-we-do/upi/upi-ecosystem-statistics">https://www.npci.org.in/what-we-do/upi/upi-ecosystem-statistics</a>                                                        |
| VaR                                | Value-at-risk                                                                                                                                                                                                                                                                                               |
| VPA                                | Virtual Payment Address                                                                                                                                                                                                                                                                                     |
| WLA                                | White Label ATMs                                                                                                                                                                                                                                                                                            |
| WOS                                | Wholly Owned Subsidiary                                                                                                                                                                                                                                                                                     |
| YTM                                | Yield to maturity                                                                                                                                                                                                                                                                                           |

## SUMMARY OF THE ISSUE

The following is a general summary of the terms of this Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including under “Risk Factors”, “Use of Proceeds”, “Issue Procedure”, “Description of the Equity Shares” and “Placement” on pages 36, 74, 210, 240 and 222, respectively. The information contained in “Description of the Equity Shares” shall prevail in the event of any inconsistency with the terms set out in this section.

|                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Issuer</b>                                                               | State Bank of India                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Issue Size</b>                                                           | 305,997,552 Equity Shares of face value ₹1 each at a price of ₹817.00 per Equity Share, including a premium of ₹816.00 per Equity Share, aggregating to ₹250.00 billion<br><br><b>A minimum of 10% of the Issue Size i.e. 30,599,756 Equity Shares was made available for Allocation to Mutual Funds only, and the balance of 275,397,796 Equity Shares was made available for Allocation to all Eligible QIBs, including Mutual Funds.</b><br><br>In case of under-subscription or no subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs.. |
| <b>Face Value</b>                                                           | ₹1 per Equity Share                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Issue Price</b>                                                          | ₹817.00 per Equity Share                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Floor Price</b>                                                          | The Floor Price for the Issue calculated in terms of Regulation 176 under Chapter VI of the SEBI ICDR Regulations is ₹ 811.05 per Equity Share.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Date of Board resolution authorizing the Issue</b>                       | May 3, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Date of Shareholders resolution authorizing the Issue</b>                | June 13, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Authority for the Issue</b>                                              | The Issue is authorised and approved by the Central Board by way of their resolution dated May 3, 2025 and by the Shareholders by way of their resolution dated June 13, 2025. The Bank has also obtained the necessary consents, approvals and authorisations required in connection with the Issue, including the approvals from the Ministry of Finance, Department of Financial Services, Government of India dated June 20, 2025 and RBI dated April 1, 2025                                                                                                                                                                       |
| <b>Eligible Investors</b>                                                   | Eligible QIBs, to whom the Preliminary Placement Document and the Application Form were delivered and who were eligible to make a Bid and participate in the Issue. See “Issue Procedure”, “Selling Restrictions” and “Transfer Restrictions” on pages 210, 224, and 233, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form were delivered was determined by our Bank, in consultation with the Book Running Lead Managers, at their sole discretion                                                                                                                              |
| <b>Equity Shares issued and outstanding immediately prior to this Issue</b> | 8,925,405,164* Equity Shares of ₹ 1 each<br><br><i>*This also includes 785,130 Equity Shares held in abeyance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Equity Shares Subscribed and Paid up immediately prior to this Issue</b> | 8,924,620,034 Equity Shares of ₹ 1 each                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Equity Shares issued and outstanding immediately after the Issue</b>     | 9,231,402,716* Equity shares of ₹ 1 each<br><br><i>*This also includes 785,130 Equity Shares held in abeyance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Equity Shares Subscribed and Paid up immediately after the Issue</b>     | 9,230,617,586 Equity shares of ₹ 1 each                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Dividend</b>                                                             | For more information, see “Description of the Equity Shares”, “Dividend Policy” and “Taxation” on pages 240, 76 and 242, respectively.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Indian Taxation</b>                                                      | For more information, see “Taxation” on page 242.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Issue Procedure</b>                                                      | The Issue has been made only to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations. For further details, see “Issue Procedure” on page 210.                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Listing and trading</b>                                                  | Our Bank has obtained in-principle approvals each on July 16, 2025 for the listing of the Equity Shares in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, from BSE and NSE.<br><br>Our Bank shall apply to BSE and NSE for the final listing and trading approvals, after the Allotment and after the credit of the Equity Shares to the respective beneficiary accounts of the successful Bidders maintained with a Depository Participant.                                                                                                                                                                             |
| <b>Transfer Restriction</b>                                                 | The Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a stock exchange.<br><br>The Equity Shares are subject to certain selling and transfer restrictions. For details, see “Selling Restrictions” and “Transfer Restrictions” on pages 224 and 233, respectively.                                                                                                                                                                                                                                                                       |
| <b>Pay-in Date</b>                                                          | Last date specified in the CAN sent to QIBs, by which the consideration for the Equity Shares has to be paid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Closing Date</b>                                                         | The date on which Allotment of the Equity Shares pursuant to the Issue shall be expected to be made, i.e., on or about July 21, 2025.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Ranking</b>                                                              | The Equity Shares being issued shall rank <i>pari passu</i> in all respects with the existing Equity Shares including rights in respect of dividends. The shareholders will be entitled to participate                                                                                                                                                                                                                                                                                                                                                                                                                                  |

|                                              |                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                              | in dividends and other corporate benefits, if any, declared by our Bank after the date of Allotment, in compliance with the SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings in accordance with applicable laws. For details, see " <i>Description of the Equity Shares</i> " on page 240. |
| <b>Lock-up</b>                               | For further details, see " <i>Placement – Lock-up</i> " on page 222 for a description of restrictions on our Bank in relation to Equity Shares.                                                                                                                                                                                                                          |
| <b>Use of Proceeds</b>                       | The gross proceeds from the Issue is ₹250.00 billion. The Net Proceeds of the Issue, after deduction of fees, commissions and expenses in relation to the Issue, will be approximately ₹249.94 billion. For further details, see " <i>Use of Proceeds</i> " on page 74.                                                                                                  |
| <b>Risk Factors</b>                          | Prior to making an investment decision, Eligible Investors should have considered carefully the matters discussed under " <i>Risk Factors</i> " on page 36.                                                                                                                                                                                                              |
| <b>Security Codes for the Equity Shares:</b> |                                                                                                                                                                                                                                                                                                                                                                          |
| <b>ISIN</b>                                  | INE062A01020                                                                                                                                                                                                                                                                                                                                                             |
| <b>BSE Scrip Code</b>                        | 500112                                                                                                                                                                                                                                                                                                                                                                   |
| <b>NSE Symbol</b>                            | SBIN                                                                                                                                                                                                                                                                                                                                                                     |

## SUMMARY OF BUSINESS

As on March 31, 2025, the Bank is the largest bank in India in terms of advances, with a market share of 19.36% (*Source: RBI Publication on Advances with SCBs*), deposits, with a market share of 22.54% (*Source: RBI Publication on Deposits with SCBs*) and branch presence, with 22,937 branches in India, based on RBI data. As of March 31, 2025, the Bank also has 63,791 Automated Teller Machines (“**ATM**”, including 13,366 Automated Deposit cum Withdrawal Machines (“**ADWM**”)), 77,251 (Customer Service Points (“**CSP**”) and more than 520 million customers. On a standalone basis, the Bank had deposits of ₹ 53,821.90 billion, gross advances of ₹ 42,207.03 billion and a total assets base of ₹ 66,760.53 billion, as of March 31, 2025. The Bank has recorded the highest profits in the Indian banking industry for Fiscal 2025, at ₹ 709.01 billion. In addition to physical branch presence, the Bank also has a wide online presence and reach across the market, reaching a wide array of customers through its digital platform YONO, which, as of March 31, 2025, has over 87.70 million registered users. The Bank also holds a large market share in digital services such as mobile banking transactions, debit card spends, and POS terminals; as of March 31, 2025, the market share of the Bank’s debit card spends was 24.84%, Point of Sale (“**POS**”) terminals was 15.00%, ATMs was 29.07%, number of mobile banking transactions was 26.94%, and value of mobile banking transactions was 23.31% (*Source: RBI ATM/POS/Card Statistics*). Given the large size and scale of the Bank, it is categorized as one of the domestic systemically important banks (“**D-SIB**”) by the RBI.

Consistent with the Bank’s branding as “State Bank of India” and its ambition of being the “The Banker to Every Indian”, the Bank has evolved itself into a diversified financial services conglomerate, offering customers solutions and products that span across loans, advances and deposits (both retail and wholesale), foreign exchange and derivatives products, retail lending and deposits, fee-and commission-based products and services, as well as alternative payment products such as internet banking, mobile payments, UPI, gift cards and prepaid cards among others. The Bank is also present, through its subsidiaries and joint ventures, in diverse segments of the Indian financial sector, including asset management, investment banking, factoring and commercial services, treasury operations, credit cards, payment services, life insurance and general insurance. See “— *Indian Subsidiaries and Joint Ventures*”. Additionally, the Bank has a global footprint, with 244 international branches/offices and presence in 29 countries. These diversified products and services offerings, combined with the Bank’s large scale across physical and digital platforms positions it well to serve the diverse needs of its customers at their convenience.

The Government of India (“**GoI**”) is the majority shareholder of the Bank, owning 56.92% of the Bank’s issued shares as at March 31, 2025. The Bank’s shares are listed on the BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**NSE**”) and its global depositary receipts are listed on the London Stock Exchange.

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

- The Retail Business and Operations (“**RB&O**”).
- The Corporate Accounts Group
- Project Finance & Structuring Strategic Business Unit
- The Commercial Clients Group
- The International Banking Group
- The Global Markets Unit
- Government Business Services and Solutions Unit

The Bank paid a dividend of ₹ 15.90 per share for the year ended March 31, 2025, compared to a dividend of ₹ 13.70 and ₹ 11.30 per share for the years ended March 31, 2024 and March 31, 2023 respectively. The Bank’s earnings per share for the year ended March 31, 2025 was ₹ 79.44 compared to ₹ 68.44 for the year ended March 31, 2024 and ₹ 56.29 for the year ended March 31, 2023.

The Bank’s subsidiary businesses also hold a prominent position in the Indian financial sector, further solidifying its market leadership. The Bank’s life insurance subsidiary, SBI Life, is India’s largest life insurer, with a 20.8% market share in total new business premium among private players as of March 31, 2025 (*Source: LI Council NBP Data*). Bank’s asset management subsidiary, SBI Funds, has been market leader since Q4 of Fiscal 2020 with AAUM (quarterly average) of ₹ 10.73 trillion and market share of 15.91% as on March 31, 2025, as against AAUM of ₹ 9.14 trillion with a market share of 16.89% during the corresponding period in Fiscal 2024, as against AAUM of ₹ 7.17 trillion with a market share of 17.71% during the corresponding period in Fiscal 2023 (*Source: AMFI Average AUM Data*). Bank’s credit cards subsidiary, SBI Cards and Payment Services Limited (“**SBI Cards**”), is the second largest credit cards issuer in India, with 20.8 million cards in force and third largest credit card company in terms of overall expenditure as of March 31, 2025 (*Source: RBI ATM/POS/Card Statistics*).

The Group comprises both banking and non-banking operations. Banking operations are the largest part of the Group in terms of total assets and net profit, with the Bank’s standalone assets representing 91.28% of the Group’s total assets and standalone

profits representing 91.41% of the Group's net profits respectively for Fiscal 2025. The Group also conducts operations outside India, both through branches operated by the Bank's International Banking Group and through subsidiaries, associates, joint ventures and investments outside India.

For Fiscal 2025, the Group's net profit, on a consolidated basis, amounted to ₹ 775.61 billion which was an increase of 15.62% from Fiscal 2024.

The Bank is aligned with the Reserve Bank of India's ("RBI") regulatory framework for priority sector lending ("PSL"), which mandates that 40% of Adjusted Net Bank Credit ("ANBC") be directed towards the priority sector, with at least 18% for agriculture, 7.5 % for micro enterprises and 12% allocated to weaker sections. As of March 31, 2025, priority sector advances, agriculture and weaker section allocations amounted to ₹ 14,089.26 billion, ₹ 5,797.68 billion and ₹ 3,968.75 billion respectively.



## SELECTED FINANCIAL INFORMATION OF OUR BANK

The following tables set out selected financial information extracted from and should be read in conjunction with our financial statements presented in “Financial Statements” on page 263. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements”, on pages 77 and 263, respectively, for further details.

### Consolidated Summary of Balance Sheet

| (in ₹ billion)                                         |                      |                      |                      |
|--------------------------------------------------------|----------------------|----------------------|----------------------|
| Particulars                                            | As on March 31, 2025 | As on March 31, 2024 | As on March 31, 2023 |
| <b>I. CAPITAL &amp; LIABILITIES</b>                    |                      |                      |                      |
| Capital                                                | 8.92                 | 8.92                 | 8.92                 |
| Reserves & Surplus                                     | 4,861.44             | 4,140.47             | 3,580.39             |
| Minority Interest                                      | 180.26               | 156.18               | 128.37               |
| Deposits                                               | 54,398.98            | 49,665.37            | 44,685.36            |
| Borrowings                                             | 6,108.57             | 6,396.10             | 5,211.52             |
| Other liabilities and provisions                       | 7,583.67             | 6,970.75             | 5,929.63             |
| <b>TOTAL</b>                                           | <b>73,141.85</b>     | <b>67,337.79</b>     | <b>59,544.18</b>     |
| <b>II. ASSETS</b>                                      |                      |                      |                      |
| Cash and balances with Reserve Bank of India           | 2,274.85             | 2,253.56             | 2,473.21             |
| Balances with banks and money at call and short notice | 1,304.48             | 1,012.16             | 709.91               |
| Investments                                            | 22,056.01            | 21,105.48            | 19,131.08            |
| Advances                                               | 42,508.31            | 37,842.73            | 32,679.02            |
| Fixed Assets                                           | 463.38               | 447.08               | 444.07               |
| Other Assets                                           | 4,534.83             | 4,676.77             | 4,106.89             |
| <b>TOTAL</b>                                           | <b>73,141.85</b>     | <b>67,337.79</b>     | <b>59,544.18</b>     |

### Consolidated Summary of Profit and Loss Account

| (in ₹ billion)                                                                                      |                                   |                                   |                                   |
|-----------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Particulars                                                                                         | For the year ended March 31, 2025 | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| <b>I. INCOME</b>                                                                                    |                                   |                                   |                                   |
| Interest earned                                                                                     | 4,909.38                          | 4,391.89                          | 3,508.45                          |
| Other income                                                                                        | 1,724.06                          | 1,553.86                          | 1,225.34                          |
| <b>TOTAL</b>                                                                                        | <b>6,633.43</b>                   | <b>5,945.75</b>                   | <b>4,733.78</b>                   |
| <b>II. EXPENDITURE</b>                                                                              |                                   |                                   |                                   |
| Interest expended                                                                                   | 3,009.43                          | 2,597.36                          | 1,899.81                          |
| Operating expenses                                                                                  | 2,365.74                          | 2,358.94                          | 1,898.14                          |
| Provisions and contingencies                                                                        | 468.09                            | 308.07                            | 370.24                            |
| <b>TOTAL</b>                                                                                        | <b>5,843.26</b>                   | <b>5,264.37</b>                   | <b>4,168.20</b>                   |
| <b>III. PROFIT</b>                                                                                  |                                   |                                   |                                   |
| Net Profit for the year (before adjustment for Share in Profit of Associates and Minority Interest) | 790.17                            | 681.38                            | 565.58                            |
| Add: Share in Profit of Associates                                                                  | 15.05                             | 14.05                             | 11.91                             |
| Less: Minority Interest                                                                             | 29.61                             | 24.59                             | 21.02                             |
| Net Profit for the Group                                                                            | 775.61                            | 670.85                            | 556.48                            |
| Add Profit Brought forward                                                                          | 720.19                            | 419.23                            | 203.94                            |
| <b>TOTAL</b>                                                                                        | <b>1,495.81</b>                   | <b>1,090.08</b>                   | <b>760.43</b>                     |
| <b>IV. APPROPRIATIONS</b>                                                                           |                                   |                                   |                                   |
| Transfer to Statutory Reserves                                                                      | 215.95                            | 187.17                            | 153.70                            |
| Transfer to Capital Reserves                                                                        | 21.72                             | 3.26                              | 2.33                              |
| Transfer to / (from) Investment Fluctuation Reserve                                                 | -                                 | (7.49)                            | 45.75                             |
| Transfer to Revenue and Other Reserves                                                              | 32.11                             | 64.57                             | 38.54                             |
| Dividend for the current year                                                                       | 141.90                            | 122.27                            | 100.85                            |
| Tax on Dividend                                                                                     | 0.31                              | 0.11                              | 0.02                              |
| Balance carried over to Balance Sheet                                                               | 1,083.83                          | 720.19                            | 419.23                            |
| <b>TOTAL</b>                                                                                        | <b>1,495.81</b>                   | <b>1,090.08</b>                   | <b>760.43</b>                     |
| <b>Earnings per Share (In ₹) (Face value ₹1 per share)</b>                                          |                                   |                                   |                                   |

| Particulars    | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|----------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Basic (in ₹)   | 86.91                                | 75.17                                | 62.35                                |
| Diluted (in ₹) | 86.91                                | 75.17                                | 62.35                                |

### Consolidated Summary of Cash Flows

(in ₹ billion)

| Particulars                                                   | As on March 31, 2025 | As on March 31, 2024 | As on March 31, 2023 |
|---------------------------------------------------------------|----------------------|----------------------|----------------------|
| Net cash flow generated from / (used in) operating activities | 484.86               | 216.32               | (860.14)             |
| Net cash flow generated from / (used in) investing activities | (56.35)              | (42.52)              | (40.41)              |
| Net cash generated/ (used in) from financing activities       | (137.39)             | (98.96)              | 63.86                |
| Effect of exchange fluctuation on translation reserve         | 22.48                | 7.76                 | 30.75                |
| Net increase/ (decrease) in cash and cash equivalents         | 313.61               | 82.60                | (805.93)             |
| Cash and cash equivalents at the beginning of the year        | 3,265.72             | 3,183.12             | 3,989.05             |
| Cash and cash equivalents at the end of the year              | 3,579.33             | 3,265.72             | 3,183.12             |

### Standalone Summary of Balance Sheet

(in ₹ billion)

| Particulars                                            | As on March 31, 2025 | As on March 31, 2024 | As on March 31, 2023 |
|--------------------------------------------------------|----------------------|----------------------|----------------------|
| <b>CAPITAL AND LIABILITIES</b>                         |                      |                      |                      |
| Capital                                                | 8.92                 | 8.92                 | 8.92                 |
| Reserves and Surplus                                   | 4,402.70             | 3,763.54             | 3,267.16             |
| Deposits                                               | 53,821.90            | 49,160.77            | 44,237.78            |
| Borrowings                                             | 5,635.73             | 5,975.61             | 4,931.35             |
| Other Liabilities and Provisions                       | 2,891.29             | 2,888.10             | 2,724.57             |
| <b>TOTAL</b>                                           | <b>66,760.53</b>     | <b>61,796.94</b>     | <b>55,169.79</b>     |
| <b>ASSETS</b>                                          |                      |                      |                      |
| Cash and Balances with Reserve Bank of India           | 2,272.17             | 2,251.42             | 2,470.88             |
| Balances with banks and money at call and short notice | 1,130.12             | 856.60               | 608.12               |
| Investments                                            | 16,905.73            | 16,713.40            | 15,703.66            |
| Advances                                               | 41,633.12            | 37,039.71            | 31,992.69            |
| Fixed Assets                                           | 441.08               | 426.17               | 423.82               |
| Other Assets                                           | 4,378.31             | 4,509.64             | 3,970.62             |
| <b>TOTAL</b>                                           | <b>66,760.53</b>     | <b>61,796.94</b>     | <b>55,169.79</b>     |

### Standalone Summary of Profit and Loss Account

(in ₹ billion)

| Sr. No. | Particulars                                                                | As on March 31, 2025 | As on March 31, 2024 | As on March 31, 2023 |
|---------|----------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| 1       | <b>Interest Earned (a)+(b)+(c)+(d)</b>                                     | <b>4,624.89</b>      | <b>4,151.31</b>      | <b>3,321.03</b>      |
| a.      | Interest/ discount on advances/ bills                                      | 3,306.27             | 2,897.84             | 2,214.01             |
| b.      | Income on investments                                                      | 1,150.31             | 1,086.41             | 959.28               |
| c.      | Interest on balances with Reserve Bank of India and other Inter Bank Funds | 44.16                | 50.90                | 34.91                |
| d.      | Others                                                                     | 124.15               | 116.16               | 112.83               |
| 2       | <b>Other Income</b>                                                        | <b>616.83</b>        | <b>516.82</b>        | <b>366.16</b>        |
| 3       | <b>TOTAL INCOME (1)+(2)</b>                                                | <b>5,241.72</b>      | <b>4,668.13</b>      | <b>3,687.19</b>      |
| 4       | <b>Interest Expended</b>                                                   | <b>2,955.24</b>      | <b>2,552.55</b>      | <b>1,872.63</b>      |
| 5       | <b>Operating expenses (a)+(b)</b>                                          | <b>1,180.69</b>      | <b>1,177.61</b>      | <b>977.43</b>        |
|         | a. Employee cost                                                           | 643.52               | 712.37               | 572.92               |
|         | b. Other operating expenses                                                | 537.17               | 465.24               | 404.51               |
| 6       | <b>TOTAL EXPENDITURE (Excluding provisions and contingencies) (4)+(5)</b>  | <b>4,135.93</b>      | <b>3,730.16</b>      | <b>2,850.06</b>      |
| 7       | <b>OPERATING PROFIT (before provisions &amp; contingencies) (3)-(6)</b>    | <b>1,105.79</b>      | <b>937.97</b>        | <b>837.13</b>        |
| 8       | Provisions (other than tax) and contingencies (net of write back)          | 153.08               | 49.14                | 165.07               |
|         | ---of which provisions for non-performing assets                           | 144.18               | 95.18                | 91.44                |
| 9       | Exceptional Items                                                          | -                    | 71.00                | -                    |

| Sr. No. | Particulars                                                              | As on March 31, 2025 | As on March 31, 2024 | As on March 31, 2023 |
|---------|--------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| 10      | <b>PROFIT/ (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAX (7)-(8)-(9)</b>    | <b>952.71</b>        | <b>817.83</b>        | <b>672.06</b>        |
| 11      | Tax expense/ (credit)                                                    | 243.71               | 207.06               | 169.73               |
| 12      | <b>NET PROFIT/ (LOSS) FROM ORDINARY ACTIVITY AFTER TAX (10)-(11)</b>     | <b>709.01</b>        | <b>610.77</b>        | <b>502.32</b>        |
| 13      | Extraordinary items (Net of tax expense)                                 | -                    | -                    | -                    |
| 14      | <b>NET PROFIT/ (LOSS) FOR THE PERIOD (12)+(13)</b>                       | <b>709.01</b>        | <b>610.77</b>        | <b>502.32</b>        |
| 15      | Paid-up equity share capital (face value of each share ₹1/- each)        | 8.92                 | 8.92                 | 8.92                 |
| 16      | Reserves excluding revaluation reserves                                  | 4,129.14             | 3,487.98             | 2,989.60             |
| 17      | Analytical ratios                                                        |                      |                      |                      |
| (i)     | Percentage of shares held by Government of India                         | 56.92%               | 56.92%               | 56.92%               |
| (ii)    | Capital adequacy ratio (Basel III)                                       | 14.25%               | 14.28%               | 14.68%               |
|         | (a) CET 1 Ratio                                                          | 10.81%               | 10.36%               | 10.27%               |
|         | (b) Additional Tier 1 Ratio                                              | 1.30%                | 1.57%                | 1.79%                |
| (iii)   | Earnings per share (EPS) (₹)                                             |                      |                      |                      |
|         | a. Basic and diluted EPS before extraordinary items (net of tax expense) | 79.44                | 68.44                | 56.29                |
|         | b. Basic and diluted EPS after extraordinary items (net of tax expense)  | 79.44                | 68.44                | 56.29                |
| (iv)    | NPA Ratios                                                               |                      |                      |                      |
|         | (a) Amount of gross non-performing assets                                | 768.80               | 842.76               | 909.28               |
|         | (b) Amount of net non-performing assets                                  | 196.67               | 210.51               | 214.67               |
|         | (c) % of gross NPAs                                                      | 1.82%                | 2.24%                | 2.78%                |
|         | (d) % of net NPAs                                                        | 0.47%                | 0.57%                | 0.67%                |
| (v)     | Return on Assets (Net assets basis)                                      | 1.10%                | 1.04%                | 0.96%                |
| (vi)    | Net worth                                                                | 3,890.71             | 3,247.15             | 2,765.63             |
| (vii)   | Outstanding redeemable preference shares                                 | -                    | -                    | -                    |
| (viii)  | Capital redemption reserve                                               | -                    | -                    | -                    |
| (ix)    | Debt-equity ratio*                                                       | 0.68                 | 0.87                 | 0.66                 |
| (x)     | Total debts to total assets**                                            | 8.44%                | 9.67%                | 8.94%                |

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

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

### Standalone Summary of Cash Flows

(in ₹ billion)

| Particulars                                                                                             | As on March 31, 2025 | As on March 31, 2024 | As on March 31, 2023 |
|---------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| <b>Cash Flow from Operating Activities</b>                                                              |                      |                      |                      |
| Net Profit (Loss) before Taxes (including share in profit from associates and net of minority interest) | 952.71               | 817.83               | 672.06               |
| Adjustments for:                                                                                        | -                    | -                    | -                    |
| Depreciation on Fixed Assets                                                                            | 35.29                | 33.52                | 32.97                |
| (Profit)/Loss on sale of Fixed Assets (Net)                                                             | 0.20                 | 0.33                 | 0.30                 |
| (Profit)/Loss on revaluation of Investments (Net)                                                       | (54.53)              | (49.39)              | 46.44                |
| (Profit)/Loss on sale of investments in Subsidiaries/ Joint Ventures / Associates                       | (1.12)               | -                    | -                    |
| Provision for diminution in fair value & Non performing Assets                                          | 144.18               | 95.18                | 91.44                |
| Provision on Standard Assets                                                                            | 3.03                 | (13.41)              | 56.19                |
| Provision on non-performing investments #                                                               | 5.14                 | (5.93)               | 15.14                |
| Other provisions including provision for contingencies                                                  | 0.73                 | (26.69)              | 2.31                 |
| Income from investment in Subsidiaries / Joint Ventures / Associates #                                  | (19.39)              | (19.62)              | (8.55)               |
| Interest charged on Capital Instruments                                                                 | 116.72               | 95.50                | 63.87                |
|                                                                                                         | <b>1,182.97</b>      | <b>927.32</b>        | <b>972.17</b>        |
| Adjustments for:                                                                                        |                      |                      |                      |
| Increase / (Decrease) in Deposits                                                                       | 4,661.13             | 4,922.99             | 3,722.44             |
| Increase / (Decrease) in Borrowings other than Capital Instruments                                      | (400.27)             | 997.58               | 499.59               |

| Particulars                                                                                                | As on March 31, 2025 | As on March 31, 2024 | As on March 31, 2023 |
|------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| Increase / (Decrease) in Investments other than Investment in Subsidiaries / Joint Ventures / Associates # | (86.09)              | (939.32)             | (943.49)             |
| Increase / (Decrease) in Advances                                                                          | (4,737.60)           | (5,142.19)           | (4,744.47)           |
| Increase / (Decrease) in Other Liabilities                                                                 | (41.06)              | 159.71               | 313.21               |
| (Increase) / Decrease in Other Assets                                                                      | 187.05               | (448.11)             | (579.43)             |
|                                                                                                            | <b>766.13</b>        | <b>477.98</b>        | <b>(759.99)</b>      |
| Tax refund / (Taxes paid)                                                                                  | (307.53)             | (287.76)             | (153.53)             |
| <b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)</b>                                        | <b>458.60</b>        | <b>190.22</b>        | <b>(913.52)</b>      |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                                                 |                      |                      |                      |
| (Purchase) / Sale of Shares in Subsidiaries / Joint Ventures / Associates #                                | 10.11                | (15.10)              | (7.30)               |
| Profit on sale of Investments in Subsidiary / Joint Ventures / Associates                                  | 1.12                 | -                    | -                    |
| Income received from investment in Subsidiaries / Joint Ventures / Associates #                            | 19.77                | 19.62                | 8.55                 |
| (Increase) / Decrease in Fixed Assets                                                                      | (51.12)              | (35.05)              | (34.23)              |
|                                                                                                            | <b>(20.12)</b>       | <b>(30.53)</b>       | <b>(32.97)</b>       |
| <b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)</b>                                        | <b>(20.12)</b>       | <b>(30.53)</b>       | <b>(32.97)</b>       |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                                                 |                      |                      |                      |
| Proceeds from issue of equity shares including share premium (Net of share issue expenses)                 | 0.00                 | -                    | 0.00                 |
| Issue of Capital Instruments                                                                               | 200.00               | 181.01               | 191.33               |
| Redemption of Capital Instruments                                                                          | (139.61)             | (134.33)             | (20.00)              |
| Interest paid on Capital Instruments                                                                       | (101.39)             | (84.38)              | (55.95)              |
| Dividend paid                                                                                              | (122.27)             | (100.85)             | (63.37)              |
| <b>NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)</b>                                        | <b>(163.27)</b>      | <b>(138.55)</b>      | <b>52.02</b>         |
| <b>EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE (D)</b>                                           | <b>19.07</b>         | <b>7.89</b>          | <b>27.94</b>         |
| <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C) + (D)</b>                        | <b>294.28</b>        | <b>29.02</b>         | <b>(866.53)</b>      |
| CASH AND CASH EQUIVALENTS AS AT 1ST APRIL                                                                  | 3,108.02             | 3,079.00             | 3,945.52             |
| CASH AND CASH EQUIVALENTS AS AT THE PERIOD END                                                             | 3,402.30             | 3,108.02             | 3,079.00             |
| <b>Components of Cash &amp; Cash Equivalents at the end of the year</b>                                    |                      |                      |                      |
| Cash & Balances with Reserve Bank of India                                                                 | 2,272.18             | 2,251.42             | 2,470.88             |
| Balances with Banks and money at call & short notice                                                       | 1,130.12             | 856.60               | 608.12               |
| <b>Total</b>                                                                                               | <b>3,402.30</b>      | <b>3,108.02</b>      | <b>3,079.00</b>      |

#As the impact of the RBI Master Direction dated 12.09.2023 for the period prior to 01.04.2024 (the transition date) is not ascertainable, corresponding figures for FY 23-24 are not regrouped.

## RISK FACTORS

*This Placement Document contains certain forward-looking statements that involve risks and uncertainties. Our financial performance may differ from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document. Prospective investors should have carefully considered the following risk factors as well as other information included in the Preliminary Placement Document prior to making any investment decision. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment.*

*The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. In order to obtain a complete understanding of our business, you should read this section in conjunction with the sections “Industry Overview”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Selected Statistical Information” on pages 126, 143, 77 and 104, respectively, as well as other financial information contained in this Placement Document. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year. Unless otherwise specified or as the context requires, financial information herein for Fiscals 2025, 2024 and 2023 is derived from our Audited Standalone Financial Statements, included in this Placement Document.*

*Unless otherwise stated, references to “the Bank” or “our Bank”, are to State Bank of India on a standalone basis and references to “we”, “us”, “our”, “the Group” are to State Bank of India on a consolidated basis.*

### RISKS RELATING TO OUR BUSINESS

- 1. Our business is particularly vulnerable to interest rate risk, and any volatility in interest rates could adversely affect our net interest margins, the value of our fixed income portfolio, income from treasury operations, our financial condition and results of operations.**

Change in market interest rates affects the interest rates offered by us on interest-earning assets as well as on interest-bearing liabilities. It also affects the value of our investments. If we are unable to increase rates charged on our loans and advances or if the volume of our interest-bearing liabilities is larger or growing faster than the volume of our interest-earning assets, an increase in interest rates could result in an increase in interest expense relative to interest earned. If the yield on our interest-earning assets does not increase at the same time or to the same extent as our cost of funds, or if our cost of funds does not decline at the same time or to the same extent as the decrease in yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted. In the event of such increase in interest rates, our net interest margin could be adversely affected as the interest paid by us on our deposits could increase at a rate higher than the interest received by us on our advances and other investments. Further, an increase in interest rates could negatively affect demand for our loans and credit substitutes and we may not be able to achieve our volume growth.

The requirement that we maintain a portion of our assets in fixed income Government securities could also have a negative impact on our net interest income and net interest margin since we typically earn interest on this portion of our assets at rates that are generally less favorable than those typically received on our other interest-earning assets. Any systemic decline in low-cost funding available in the form of current and savings account deposits would adversely impact our net interest margin. Set forth below are details of the Bank's Net Interest Income, and Net Interest Margin, for each of the corresponding periods:

| Particulars                     | Fiscal 2023 | Fiscal 2024 | Fiscal 2025 |
|---------------------------------|-------------|-------------|-------------|
| Net interest income (₹ billion) | 1,448.41    | 1,598.76    | 1,669.65    |
| Net Interest Margin (%)         | 3.37%       | 3.28%       | 3.09%       |

We are also exposed to interest rate risk through our treasury operations and banking subsidiaries. Any rise in interest rates or interest rate volatility could adversely affect our income from treasury operations or the value of our fixed income securities trading portfolio. Sudden or sharp and sustained increases in interest rates applicable to floating rate loans, could also result in extension of loan maturities and higher monthly instalments due from borrowers, which could result in higher rates of default in loan portfolio. In addition, any change in the volume of business in our treasury operations and profitability, could have an adverse impact on our overall profitability. Revisions in deposit interest rates, or introduction of higher interest rates, by banks with whom we compete may also lead to revisions in our deposit rates to remain competitive and this could adversely impact our cost of funds.

The policy repo rate increased from 4.40% on March 27, 2022, to 6.50% on February 8, 2023. The policy repo rate then stayed constant at 6.50% until December 6, 2024. Thereafter, the policy repo rate decreased to 5.50% on June 6, 2025. Changes in official interest rates tend to flow through into changes in commercial interest rates, including rates for deposits and lending.

However, the rates applying to our funding (including deposits) and its lending may not move at the same time and at the same rate.

**2. Our business and financial condition may be adversely affected in case of an increase in the level of non-performing assets in our portfolio or RBI mandated provisioning requirements.**

Our level of NPAs is influenced by a range of factors, including prevailing macroeconomic conditions, increased competition, changes in the business and financial position of our borrowers, rising unemployment rates, high levels of debt involved in financing of projects, and significant borrowings by companies in India at relatively high interest rates, and any significant increase in NPAs may have a material adverse effect on our financial condition and results of operations. Any material increase in our NPAs may require higher provisioning in line with RBI requirements, which could have an adverse effect on our business, financial condition and results of operations.

Set forth below are the Bank's gross and net NPAs as of the corresponding dates:

| Particulars                                       | As of March 31, |        |        |
|---------------------------------------------------|-----------------|--------|--------|
|                                                   | 2023            | 2024   | 2025   |
| Gross NPAs (₹ billion)                            | 909.28          | 842.76 | 768.80 |
| Gross NPAs, as a percentage of gross advances (%) | 2.78%           | 2.24%  | 1.82%  |
| Net NPAs (₹ billion)                              | 214.67          | 210.51 | 196.67 |
| Net NPAs, as a percentage of net advances (%)     | 0.67%           | 0.57%  | 0.47%  |

Furthermore, although our loan portfolio contains loans to a wide variety of businesses, financial difficulties experienced by our customers or by sectors or industries of the Indian economy to which we have exposure could increase our level of NPAs and adversely affect our business, future financial performance and the trading price of our Equity Shares. Notably, our largest provisions for NPAs are to the trading, roads and ports and food processing industries. For further information on the provisions for NPAs to these industries, see “*Selected Statistical Information – Provisions for NPAs*” on page 120.

Additionally, if the systems and processes established by us to identify NPAs fail or are unable to identify the NPAs correctly and in a timely manner, our financial position could be adversely affected. There can be no assurance that our systems and processes will always function appropriately or correctly in order to identify NPAs in a timely manner or at all, or that similar deficiencies will not arise in the future.

Provisions for NPAs are created by a charge to our profit and loss account and are currently subject to minimum provisioning requirements, linked to ageing of NPAs. In addition to the relevant regulatory minimum provisioning by the RBI, we also consider our internal estimate for loan losses and risks inherent in the credit portfolio when deciding on the appropriate level of provisions. The determination of a suitable level of loan losses and provisions involves a degree of subjectivity and requires that we make estimates of current credit risks and future trends, all of which may be subject to material changes. Any incorrect estimation of risk may result in our provisions not being adequate to cover any further increase in the amount of NPAs or any further deterioration in our NPA portfolio. We cannot assure you that the NPAs reported by us in the future will be as assessed by any regulatory authority, and that we will not be subject to increased provisioning requirements. Any future increases in provisions mandated by the RBI or other regulatory changes or increase in provisioning requirements as a result of divergences identified by the RBI, could therefore lead to an adverse impact on our business, future financial performance and the trading price of the Equity Shares. For further information, see “*Regulations and Policies - Prudential framework for resolution of stressed assets*” on page 202.

**3. Weakness or failures of our internal control system may cause significant operational errors, which may in turn materially and adversely affect our business and the price of the Equity Shares.**

The Bank's business is highly dependent on its ability to efficiently and reliably process a high volume of transactions across numerous locations and delivery channels. It places heavy reliance on its technology infrastructure for processing this data and therefore ensuring system security and availability is of paramount importance. The Bank's systemic and operational controls may not be adequate to prevent adverse impact from frauds, errors, hacking and system failures. A significant system breakdown or system failure caused due to intentional or unintentional acts would have an adverse impact on the Bank's revenue-generating activities and lead to financial loss.

The Bank's reputation could be adversely affected by fraud committed by employees, customers or outsiders, or by its perceived inability to properly manage fraud-related risks. Set forth below are the number of frauds identified by the Bank in the corresponding years and reported to the RBI, and their pecuniary implication (i.e., amount involved):

| Particulars                                 | As of March 31, |       |       |
|---------------------------------------------|-----------------|-------|-------|
|                                             | 2023            | 2024  | 2025  |
| Number of frauds detected                   | 2,755           | 1,586 | 3,437 |
| Aggregate pecuniary implication (₹ billion) | 48.78           | 34.07 | 80.79 |

| Particulars                                                              | As of March 31, |       |       |
|--------------------------------------------------------------------------|-----------------|-------|-------|
|                                                                          | 2023            | 2024  | 2025  |
| Aggregate pecuniary implication as percentage of the Bank's total income | 1.32%           | 0.73% | 1.54% |

The Bank has established a geographically remote disaster recovery site to support critical applications, and it believes that it will be able to restore data and resume processing. However, it is possible that the disaster recovery site may also fail or it may take considerable time to make the system fully operational and achieve complete business resumption using the alternate site. Therefore, in such a scenario, where the primary site is completely unavailable, there may be significant disruption to the Bank's operations, which could materially adversely affect its reputation and financial condition.

Our risk management techniques may not be fully effective in mitigating our risk exposure in all market environments or against all types of risks, including risks that are unidentified or unanticipated. Some methods of managing risk are based upon observed historical market behavior. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up to date or properly evaluated. While we periodically test and update, as necessary, our internal control systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances.

**4. *We are exposed to various categories of borrowers, depositors and industry sectors, and a default by any large borrower, premature withdrawal of deposits or a deterioration in the performance of any of these industry sectors in which we have significant exposure would adversely affect our results of operations, the quality of our portfolio and financial condition.***

We conduct business with certain borrowers who have highly leveraged balance sheets and any default by any of these borrowers would have a significant impact on our profitability. Aggregate advances to our Bank's 20 largest borrowers as of March 31, 2025 amounted to ₹ 4,000.81 billion, representing 9.48% of the Bank's Total Gross Advances. We are also subject to limitations on our exposure to single counterparties, and as of March 31, 2025, we are in compliance with the RBI circular dated June 3, 2019 on large exposures framework.

If any of our major borrowers default or become non-performing, our exposure to credit risk would increase, and our net profits would decline and, due to the scale of the exposures, our ability to meet capital requirements could be risked. There can be no assurance that such borrowers will continue to honour their commitments and that there will be no defaults in future and further, that there will not be any delay in payments of interest and/or principal from these borrowers. Furthermore, the RBI guidelines, and our focus on controlling and reducing concentration risk, may restrict our ability to grow our business with some customers, thereby impacting our earnings.

Further, set forth below are details of deposits from our Bank's top 20 depositors as of the corresponding dates:

| Particulars                                                                    | As of March 31, |          |          |
|--------------------------------------------------------------------------------|-----------------|----------|----------|
|                                                                                | 2023            | 2024     | 2025     |
| Total deposits of 20 largest depositors (₹ billion)                            | 1,766.12        | 2,330.73 | 2,802.51 |
| Total deposits of 20 largest depositors, as a percentage of total deposits (%) | 3.99%           | 4.74%    | 5.21%    |

We cannot assure you that there will not be any untimely withdrawal or non-renewal of deposits from these depositors. In the event of such withdrawal or non-renewal, our business, results of operations and financial conditions may be adversely affected.

In addition, we offer loans to a wide range of industries and businesses. Our Bank's largest outstanding advances were to the infrastructure sector, services sector, petroleum and petrochemicals sector, commercial real estate and iron and steel sector at ₹ 3,973.20 billion, ₹ 5,013.48 billion, ₹ 657.73 billion, ₹ 699.55 billion and ₹ 634.17 billion respectively, that represented 11.03%, 13.92%, 1.83%, 1.94% and 1.76%, respectively, of our total domestic advances, i.e., ₹ 36,016.20 billion, as of March 31, 2025. Any financial difficulties experienced by our customers or by particular sectors of the Indian economy specifically the abovementioned sectors to which we have historically had and continue to have significant exposure, due to factors outside our control could significantly increase our NPA levels and adversely affect our business, future financial performance and the price of the Equity Shares.

**5. *The level of restructured loans in our portfolio may increase and the failure of our restructured loans to perform as expected could adversely affect our business, results of operations and financial condition.***

Our assets include restructured loans. As of March 31, 2023, March 2024 and March 2025, our Bank's total restructured standard assets amounted to ₹ 347.44 billion, ₹ 338.41 billion and ₹ 241.45 billion and as a proportion of our Bank's gross advances were 1.06%, 0.90% and 0.57% respectively. The loan portfolio of our international branches and Subsidiaries also includes foreign currency loans to Indian companies for their Indian operations as well as for their international operations, including cross-border acquisitions. We restructure assets based on a borrower's potential to restore its financial health;

however, there can be no assurance that borrowers will be able to meet their obligations under restructured advances as per the regulatory requirements and certain assets classified as restructured, may be classified as delinquent. Any resulting increase in delinquency levels may adversely impact our business, financial condition and results of operations. A combination of changes in regulations regarding restructured loans, provisioning, and any substantial increase in the level of restructured assets and the failure of these structured loans to perform as expected could adversely affect our business, future financial performance and the trading price of the Equity Shares.

**6. We are subject to the directed lending requirements of the RBI, and any shortfall in meeting these requirements may require us to invest in Government schemes that yield low returns, thereby impacting our profitability.**

Under the Master Directions - Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2025, RBI requires that every domestic commercial bank excluding RRBs and SFBs and foreign banks with 20 branches and above, extend at least 40.00% of its adjusted net bank credit or the credit equivalent amount of off-balance sheet exposure, whichever is higher, to “priority sectors” such as agriculture, MSMEs, export credit, education, housing, social infrastructure, renewable energy and others as determined by the RBI. Of this, banks have targets or sub-targets of 18%, 7.5% and 12% for lending to agriculture, MSMEs and advances to weaker sections respectively. Our priority sector loan portfolio contains significant advances to the MSME and agriculture sector. Set forth below are certain details regarding our priority sector credit, loans to MSMEs and loans to the agriculture sector:

| Particulars                                                                         | As of March 31, |        |        |
|-------------------------------------------------------------------------------------|-----------------|--------|--------|
|                                                                                     | 2023            | 2024   | 2025   |
| Priority sector credit (₹ billion)                                                  | 10,203          | 11,871 | 13,281 |
| Priority sector credit, as a percentage of Bank's adjusted net bank credit (%)      | 40.05%          | 40.94% | 40%    |
| Loans to MSMEs (₹ billion)                                                          | 3,182           | 3,672  | 5,105  |
| Loans to MSMEs, as a percentage of Bank's adjusted net bank credit (%)              | 12.49%          | 12.67% | 15.37% |
| Loans to agriculture sector (₹ billion)                                             | 4,757           | 5,378  | 5,650  |
| Loans to agriculture sector, as a percentage of Bank's adjusted net bank credit (%) | 18.67%          | 18.55% | 17.01% |

Any revision in the definition or classification of segments eligible for priority sector lending by the RBI could impact our ability to meet priority sector lending requirements. Further, in the event we are required to increase our exposure to the agricultural sector pursuant to GoI mandated directed lending, it may adversely affect our future financial performance. Any shortfall in meeting the priority sector lending requirements may be required to be invested at any time, at the RBI's direction, in an account with the NABARD under the Rural Infrastructure Development Fund Scheme, or with other financial institutions specified by the RBI, which generate lower levels of interest compared to advances made to the priority sector.

Set forth below are certain details regarding the Bank's priority sector NPAs, MSME industry NPAs and agriculture industry NPAs as of the corresponding dates:

| Particulars                                                                                       | As of March 31, |       |       |
|---------------------------------------------------------------------------------------------------|-----------------|-------|-------|
|                                                                                                   | 2023            | 2024  | 2025  |
| Priority sector gross NPAs to total priority sector advances                                      | 5.70%           | 5.15% | 4.88% |
| MSME gross NPAs to total outstanding MSME advances (eligible under Priority Sector Lending “PSL”) | 3.55%           | 3.59% | 3.73% |
| Agriculture gross NPAs to total agricultural advances (eligible under PSL)                        | 11.56%          | 9.64% | 8.41% |

Any future changes by the RBI to the directed lending norms may result in our continued inability to meet the priority sector lending requirements as well as require us to increase our lending to relatively riskier segments such as agriculture and MSMEs and may result in an increase in non-performing loans.

**7. Our loan portfolio contains significant advances to the agricultural sector and any deterioration in the performance of the agricultural sector may lead to an increase in delinquency and adversely affect our business and financial condition. Further, any farm loan waiver programmes may have an adverse effect on our business and financial condition.**

Our Bank's loan portfolio contains advances to the agricultural sector amounting to ₹ 3,485.24 billion (i.e. 8.25% of the Bank's gross advances) as of March 31, 2025. Agricultural production is heavily dependent on weather cycles and is affected by general economic cycles, creating inherent risks in agricultural lending. Deterioration in the performance of the agricultural sector may lead to an increase in delinquency and adversely affect our Bank's business and financial condition. For example, any major floods or droughts which occur in the country will have a negative impact on borrowers in the affected regions and, in turn, affect their ability to make timely payment on their loans. Meanwhile, the Government's proposed agricultural lending plans may contemplate state-owned banks, including our Bank, lending at below-market rates in the agricultural sector. In particular, as of March 31, 2025, 38% of the Bank's NPA are from the agriculture segment. The Master Directions - Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2025 stipulate that our Bank's agricultural advances be 18.00% of adjusted net bank credit and our Bank's objective is to increase agricultural lending to achieve this benchmark but



we cannot assure you that our Bank will be able to increase its agricultural lending to meet such benchmark within the required timeline. Bank's exposure to the agricultural sector involves higher risks, which may negatively affect our cost of funding, and adversely affect our Bank's business, future financial performance and the trading price of the Equity Shares.

Recently, several Indian states have announced farm loan waiver programs. If such farm loan waivers become more widespread in the future, this could result in a loss of short-term liquidity for affected public sector banks, including our Bank, while such banks wait for the reimbursement of such waived loans from the state government. In addition to a loss of short-term liquidity for affected banks, such farm loan waivers may also have a negative impact on borrower behavior such as the farmers' willingness to make repayments as they may anticipate further farm loan waivers. The farm loan waiver programs may have an adverse impact on the banking sector as a whole as well as our Bank's business, future financial performance and the trading price of the Equity Shares.

***8. The Bank's risk profile is linked to the Indian economy and the banking and financial markets in India, which are still evolving.***

Our Bank's principal business is providing financing to its clients, most of which are based in India. The credit risk profiles of our borrowers differ significantly from those of borrowers of most banks in developed countries, due to such factors as a high level of uncertainty in the Indian regulatory, political, economic and industrial environment and difficulties that many of our Bank's borrowers face in adapting to instability in world markets and technological advances taking place across the world. This may affect the quality of information available to our Bank about the credit history of its borrowers, especially individuals and small businesses.

Several of our Bank's corporate borrowers in the past suffered from low profitability due to, among other factors, increased competition arising from economic liberalization in India, variable industrial growth, a sharp decline in commodity prices, the high level of debt in the financing of projects and capital structures of companies in India, and the high interest rates in the Indian economy during the period in which a large number of the projects were entered into. Our Bank's loans to SMEs can be expected to be more severely affected by adverse developments in the Indian economy than loans to large corporations. An economic slowdown and a general decline in business activity in India could impose further stress on these borrowers' financial soundness and profitability and thus expose our Bank to increased credit risk. Our Bank is subject to the credit risk that our borrowers may not pay in a timely fashion or at all and consequently there may be an increase in our NPA which may have an adverse impact on our Bank's profitability, results of operation, cash flows and financial condition.

***9. The Bank's unsecured loan portfolio is not supported by any collateral to ensure repayment of the loan. Further, any such non-payment of unsecured loans or an inability to realize the value of collateral in case of secured loans, may adversely affect its financial condition.***

A portion of our Bank's loan portfolio is unsecured, and in the event of a default by any of the borrowers, the Bank has limited avenues to recover any amounts due. Unsecured loans, by their nature, are not supported by collateral or security interests. As a result, any non-payment or delay in repayment of such loans exposes our Bank to the risk of direct financial loss, potentially adversely impacting our financial condition and results of operations.

As of March 31, 2025, ₹ 27,363.35 billion of our Bank's advances were secured by tangible assets, which collectively represented 65.72% of our Bank's total net advances. However, we may be unable to realise the full value of the collateral, if at all, owing to factors such as, (i) delays in bankruptcy and foreclosure proceedings, including due to the introduction of any laws, rules or regulations that provide for moratoriums or exemptions on the sale of collateral in response to any adverse economic financial conditions; (ii) deficiencies in the perfection of collateral (including due to the inability to obtain approvals that may be required from third parties); (iii) fraud by borrowers; (iv) decrease in the value of the collateral; (v) errors in assessing the value of the collateral; (vi) an illiquid market for the sale of the collateral; (vii) current legislative provisioning coverage or changes thereto; (viii) future judicial pronouncements; (ix) volatility in commodity prices; (x) stock market volatility; (xi) changes in economic policies of the Government of India; (xii) borrowers and guarantors not being traceable; and (xiii) our records of borrowers' and guarantors' addresses being ambiguous or outdated.

In India, foreclosure on collateral may be subject to delays and administrative requirements that may result in, or be accompanied by, a decrease in the value of the collateral. For example, in the event that a corporate borrower makes a reference to the National Company Law Tribunal (the "NCLT") under the Insolvency and Bankruptcy Code 2016 (the "IBC"), foreclosure and enforceability of collateral is stayed. In addition, pursuant to the RBI's prudential guidelines on restructuring of advances by banks, the Bank may not be in a position to initiate recovery proceedings against a corporate borrower, if 60.00% of the creditors by number and at least 75.00% of the creditors by value decide to restructure their advances. In such a situation, we are restricted to a restructuring process as approved by the majority lenders of the borrowers. If we own 20.00% or less of the debt of a borrower, we could be forced to agree to an extended restructuring of debt which may not be in our interests. In addition, for collateral we hold in jurisdictions outside India, the applicable laws in such jurisdictions may impact our ability to foreclose on collateral and realise its value. If we are unable to realise the full value of collateral, or otherwise fail to recover the full amount owed to us, there could be a material, adverse effect on our financial condition, results of operations and cash flows.

**10. Our business and financial performance are dependent on maintaining and building a successful branch network. An inability to maintain, increase our coverage and any inability to use these branches productively, may have an adverse impact on our growth and profitability.**

We have a large and diverse branch network across India and other jurisdictions. As of March 31, 2025, our Bank's distribution network in India included 22,937 branches across 28 States and 8 Union Territories. Further, as of March 31, 2025, our Bank's distribution network also included branches outside India, such as those in the United States of America, the United Kingdom, and Singapore. Our business and financial performance are dependent on maintaining our extensive network of branches, see “– Some of our offices, branches and ATMs are located on premises taken by us on lease. We may not be able to renew these agreements for our branches upon acceptable terms or at all which could have an adverse effect on our business and results of operations.” on page 57. Our newly opened branches may not be profitable immediately upon their opening or may take time to break-even. In the event of a delay in achieving break even by the newly opened branches within a reasonable period as envisaged by us, our profitability may be affected. Our branch expansion plans may have an adverse effect on the capital outlay which in turn may adversely affect our business, results of operations and financial condition. As a consequence of our large and diverse branch network, we may be subject to additional risks inherent with an extensive network, including but not limited to higher technology costs, upgrading, expanding and securing our technology platform in such branches, operational risks including integration of internal controls and procedures, compliance with KYC, AML and other regulatory norms, ensuring customer satisfaction, recruiting, training and retaining skilled personnel, failure to manage third-party service providers in relation to any outsourced services and difficulties in the integration of new branches with our existing branch network. Any of these reasons may result in our failure to manage a large branch presence, which may adversely affect our business, results of operations and financial condition.

**11. Our reliance on demand, and term and savings bank deposits as our primary source of funding exposes us to liquidity and funding risks, which could materially and adversely affect our business, financial condition, results of operations and cash flows.**

Our primary funding source comprises customer deposits, primarily in the form of demand deposits and term deposits with maturities of up to one year. As at 31 March 2025, savings bank deposits, demand deposits and term deposits with maturities up to one year constituted 34.29% of our total deposits. These deposits have historically been a stable source of funding for the Bank, with a substantial portion of our term deposits typically rolled over upon maturity. For instance, during the financial period ended March 31, 2025, more than 80% of the funds in maturing term deposits were rolled over, and as of such date, our Bank estimated that 85% of its current deposits and 95% of its savings deposits consisted of “core” deposits, which are considered less likely to be withdrawn in the foreseeable future based on customer behaviour and account profiles.

Despite this stability, there is no assurance that depositors will continue to roll over their deposits upon maturity, nor that our assessment of core deposits will hold under stress conditions. A substantial number of depositors choosing not to renew term deposits or withdrawing on-demand deposits could adversely impact our liquidity position. If such withdrawals or non-renewals occur in significant amounts, we may need to seek funding from alternative, potentially more expensive sources such as short-term borrowing facilities provided by RBI or private money market or repo transactions, which could have a substantial impact on our cost of funds and profitability.

At specific points in time, mismatches between the maturity profiles of our assets and liabilities may create a theoretical liquidity gap, reflecting a potential shortfall if significant short-term funding matures or is withdrawn, while a corresponding amount of the Bank's assets may not be immediately liquid. Although such a gap has not historically materialised due to the rollover of term deposits and the stability of core demand deposits, customer behaviour may change, especially as there has been a broader market trend of individuals investing in markets rather than in bank deposits due to higher returns available elsewhere.

The total deposits held by our top 20 largest depositors as of the dates indicated were as follows:

|                                                                                    | As of March 31, |          |          |
|------------------------------------------------------------------------------------|-----------------|----------|----------|
|                                                                                    | 2023            | 2024     | 2025     |
| Total deposits of top 20 largest depositors (₹ billion)*                           | 1,766.12        | 2,330.73 | 2,802.51 |
| Total deposits of top 20 largest depositors, as a percentage of total deposits (%) | 3.99%           | 4.74%    | 5.21%    |
| Growth on interest on deposits (%)                                                 | 14.99%          | 36.35%   | 16.15%   |

\*Figures do not include interbank deposits held by the Bank.

The concentration of significant deposits further adds to this risk such as premature withdrawals or non-renewals by these top 20 or other depositors could exacerbate liquidity pressures. If we are unable to obtain or renew funding on acceptable terms and at competitive rates, we may be required to offer higher interest rates to attract replacement deposits or resort to higher-cost wholesale or market funding, negatively affecting our results of operations.

Failure to maintain adequate funding or to replace short-term and maturing deposits efficiently may have a material adverse

effect on our liquidity, business, financial condition, results of operations, and cash flows.

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

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

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

***13. We face asset liability mismatches, which could adversely affect our liquidity and, consequently, our financial condition, results of operations and cash flows.***

We face liquidity risks due to mismatches in the maturity of our assets and liabilities. Liquidity risk is the risk that we either do not have available sufficient financial resources to meet our obligations as they fall due or can secure them only at excessive cost. This risk is inherent in any retail and commercial banking business and can be heightened by a number of enterprise-specific factors, including overreliance on a particular source of funding, changes in credit ratings or market-wide phenomena such as market dislocation. While we implement liquidity management processes to seek to mitigate and control this risk, unforeseen systemic market factors make it difficult to completely eliminate it.

We may rely on funding options with a short-term maturity period for extending long-term loans, which may lead to an asset liability mismatch for certain periods. Mismatches between our assets and liabilities are compounded in case of pre-payments of the advances we grant to our customers. Further, asset liability mismatches create liquidity surplus or liquidity crunch situations and depending upon the interest rate movement, such situations may adversely affect our Net Interest Income. If we are unable to obtain additional borrowings or renew our existing credit facilities for matching tenures of our loan portfolio in a timely and cost-effective manner, if at all, this may lead to mismatches between our assets and liabilities, which could adversely affect our financial condition, results of operations and cash flows.

***14. We are exposed to fluctuations in foreign exchange rates which could adversely affect our business, future financial performance and trading price of the Equity Shares.***

As a financial institution with operations in various countries, the Bank is exposed to significant exchange rate risks. The Bank complies with regulatory limits upon its unhedged foreign currency exposure by making foreign currency loans on terms that are generally similar to its foreign currency borrowings and thereby transferring the foreign exchange risk to the borrower or through active use of cross-currency swaps and forwards to generally match the currencies of its assets and liabilities. However, the Bank is exposed to fluctuations in foreign currency rates for its unhedged exposure. Any adverse movement in foreign currency exchange rates may also impact the Bank's borrowers adversely, which may in turn impact the quality of its exposure to these borrowers. Volatility in foreign exchange rates could adversely affect the Bank's business, future financial performance and the trading price of the Equity Shares.

***15. We are required to maintain minimum cash reserve ratio ("CRR") and statutory liquidity ratio ("SLR") in accordance with RBI guidelines, and any increase in these requirements could adversely affect our business.***

Under RBI regulations, we are subject to a CRR requirement. The CRR is a bank's balance held in an interest-free current account with the RBI calculated as a specified percentage of its net demand and time liabilities, excluding interbank deposits. The CRR currently applicable to banks in India is 4.00%. The RBI has announced that the CRR will be reduced to 3.00% of net demand and time liabilities ("NDTL") in a staggered manner, with four cuts of 25 basis points each taking effect from the fortnights commencing on September 6, October 4, November 1, and November 29, 2025.

In addition, under the Banking Regulation Act, all banks operating in India are required to maintain an SLR. The SLR is a specified percentage of a bank's net demand and time liabilities required to be maintained by way of liquid assets such as cash,

gold or approved unencumbered securities. Approved securities consist of unencumbered Government securities and other securities as may be approved from time to time by the RBI and, which earn lower levels of interest as compared to advances to customers or investments made in other securities.

The SLR currently applicable to banks in India is a minimum of 18.00%. Further, the RBI may increase the CRR and SLR requirements as a monetary policy measure. Any substantial increases in the CRR from the current levels could affect our ability to deploy our funds or make investments, which could in turn have a negative impact on our results of operations. If we are unable to meet the statutory reserve requirements of the RBI or make an error in calculating such required limits, the RBI may impose penal interest or prohibit us from receiving any further fresh deposits, which may have a material adverse effect on our business, financial condition and results of operations.

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

The Government generates significant business activity in the economy. For Fiscal 2025, our Bank's total Government business turnover was ₹ 65,152.25 billion and our Bank earned commission from Government transactions of ₹ 39.14 billion, or 12.66% of our Bank's other (non-interest) income (i.e., commission, exchange and brokerage commission). For Fiscal 2025, our Bank's market share of Government business was over 62% and includes such transactions as handling payment and receipts for the Central and States Governments. Our Bank has been able to retain its position as the market leader in government banking business. While our Bank has enjoyed a strong working relationship with the Government in the past, there is no assurance that such strong working relationship will continue in the future.

For example, on July 1, 2012, the RBI declared that all private sector banks would be eligible to handle Central and State Government business and would be considered on an equal basis with public sector banks. Prior to this declaration by the RBI, only public sector banks and three designated private banks could conduct Government business. A memorandum was issued by the Ministry of Finance dated April 9, 2015 on allowing further authorisation of Government business to private sector banks and RBI was advised against any further allocation of Government business to private sector banks. Furthermore, three public-sector banks, Dena Bank, Vijaya Bank and Bank of Baroda, merged in April 2019, as a result of which, Bank of Baroda is now the second largest public sector bank by asset size, as of March 31, 2025. (Source: RBI: *Financial results of Public Sector Banks*) If the Government decides to utilize the merged bank for handling the Government's business to a greater extent than it previously had with the three public-sector banks prior to the merger, this may negatively impact our Bank's market share of the Government's business. The Government is not obligated to choose our Bank to conduct any of its transactions. If our Bank cannot successfully compete with private banks for Government business or the Government chooses other public sector banks to conduct transactions currently performed by our Bank or if the rates paid by the Government to the dealing banks decline, our Bank's business and/or the income derived from our Government operations will be adversely affected.

***17. Our investment portfolio comprises largely of government securities that may limit our ability to deploy funds in higher yield investments.***

Under RBI regulations, the Bank's liabilities are subject to the SLR requirement that a minimum specified percentage, currently 18%, of a bank's net demand and time liabilities ("NDTL"), be invested in Government securities and other approved securities. As of March 31, 2025, government securities represented 82.08% of our Bank's domestic investment portfolio, and comprised 24.65% of the Bank's total deposits.

We earn interest on such government securities at rates which are less favorable than those which we typically receive in respect of our retail and corporate loan portfolio and this adversely impacts our net interest income and net interest margin. In addition, the market and accounting value of such securities could be adversely affected by overall rising interest rates. To reduce the risk of interest rate fluctuations, we have classified a large majority of the Government securities as "held to maturity." However, the concentration of securities in such classification can limit gains in our treasury operations.

***18. The banking industry in India is subject to extensive regulation and significant changes in the banking regulations may adversely affect our business and our future financial performance.***

Banks in India are subject to detailed regulation and supervision by the RBI. The RBI sets guidelines on matters related to our business including cash reserve ratios, statutory liquidity ratios, capital adequacy ratio, priority sector lending, recognition and provisioning for NPAs, export credit, market risk and branch licensing. As we operate under licences or registrations obtained from appropriate regulators, such as RBI, SEBI, IRDAI and PFRDA, we are subject to actions that may be taken by such regulators in the event of any noncompliance with any applicable policies, guidelines, circular, notifications and regulations issued by the relevant regulators. Our business could be directly affected by any changes in policies for banks in respect of directed lending, reserve requirements and other areas. In addition, banks are generally subject to changes in Indian laws, regulations, Government policies and accounting principles. In addition, we may be subject to other changes in laws and regulations, such as those affecting the extent to which we can engage in specific businesses, those that reduce our profits through a limit on fees or interest rates that we may charge our customers or those affecting foreign investment in the banking industry – as well as to changes in other governmental policies and enforcement decisions, income tax laws, foreign investment

laws and accounting principles.

For instance, the RBI has issued the Reserve Bank of India (Project Finance) Directions, 2025, via notification being reference no. RBI/2025-26/59 DOR.STR.REC.34/21.04.048/2025-26 dated June 19, 2025, providing a harmonised framework for financing of projects in infrastructure and non-infrastructure (including commercial real estate & commercial real estate-residential housing) sectors by regulated entities.

Further, exposures of SCBs to NBFCs, excluding core investment companies, are risk weighted as per the ratings assigned by accredited external credit assessment institutions (“ECAI”). On a review, it has been decided to increase the risk weights on such exposures of SCBs by 25% (over and above the risk weight associated with the given external rating) in all cases where the extant risk weight as per external rating of NBFCs is below 100%. For this purpose, loans to HFCs, and loans to NBFCs which are eligible for classification as priority sector in terms of the extant instructions shall be excluded.

We are subject to cash reserve and the statutory liquidity ratios requirements, capital adequacy ratio requirements, priority sector lending requirements, among others, and failure to comply with these requirements may expose us to penalties and regulatory action. See “ – *We are required to maintain minimum cash reserve ratio (“CRR”) and statutory liquidity ratio (“SLR”) in accordance with RBI guidelines, and any increase in these requirements could adversely affect our business.*” on page 42.

In addition, we are present through our Subsidiaries, Joint Ventures and Associates in diverse segments of the Indian financial sector, including asset and funds management, merchant banking, treasury operations, credit cards, payment services and life insurance.

The regulatory and policy environment in which we operate is evolving and subject to change. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain any additional approvals and licences from the Government of India and other regulatory bodies. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have an adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also affect our results of operations.

***19. A portion of our income is derived from non-banking activities and fee-based services. Our financial performance may be adversely affected by our inability to generate and sustain such income.***

We have, over the years, expanded our operations from undertaking banking activities to providing certain non-banking and fee and commission-based services. Our fees from commissions, exchanges and brokerage services increased from ₹ 262.45 billion in Fiscal 2023 to ₹ 281.26 billion in Fiscal 2024 and ₹ 309.19 billion in Fiscal 2025, which accounted for 7.12%, 6.03% and 5.90% of our total income in Fiscals 2023, 2024 and 2025, respectively. Our non-banking activities through our Subsidiaries, Joint Ventures and Associates mainly include life insurance, general insurance, private equity, merchant banking, asset management, cards and payment.

We earn fee-based income from corporate agency services, which include marketing and distribution of insurance products. We also earn fee-based income from corporate agency services, which include marketing and distribution of insurance products. Fee-based income is also earned as part of our foreign exchange business. From time to time we hold assets on our balance sheet which may subject to market risk and credit risk. There can be no assurance that we will be able to sustain current levels of income from, or effectively manage the risks associated with, these businesses in the future.

New initiatives, products and services that we may introduce, will entail a number of risks and challenges, including risks relating to execution, the failure to identify new segments, the inability to attract customers and the inability to make competitive offerings. If we are unable to successfully diversify our products and services while managing the related risks and challenges, returns on such products and services may be less than anticipated, which may adversely affect our business, financial condition and results of operations.

***20. We have generated negative cash flows from operating activities in the past, and any negative cash flows from operating activities in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.***

In Fiscal 2023, we generated negative cash flow from operating activities of ₹ 913.52 billion. For details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows*” on page 100.

We may also generate negative cash flows from operating activities in the future. Negative operating cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. We may not generate sufficient revenue for various reasons, including increasing

competition, challenging macro-economic environment, as well as other risks discussed elsewhere in this Placement Document. If we fail to sustain or increase profitability, our business, results of operations and cash flows could be adversely affected.

***21. Financial difficulties in certain financial institutions in India could adversely affect our business.***

We are exposed to the risks inherent in the Indian financial system. These risks are driven by the financial difficulties faced by certain Indian financial institutions, whose commercial soundness may be closely interrelated as a result of credit, trading, clearing or other relationships among them. For example, if a major Indian bank or non-banking financial company were to experience severe liquidity or solvency issues, this could disrupt payment and settlement systems and undermine confidence in other financial intermediaries. This risk, which is sometimes referred to as “systemic risk”, may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business and the trading price of the Equity Shares. As the Indian financial system operates within an emerging market, we face risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs, notwithstanding the existence of a national deposit insurance scheme.

***22. We distribute third-party products, including mutual funds, brokerage and insurance products, among others. Our inability to effectively manage any of these businesses may adversely affect our business, results of operation and financial condition.***

In order to grow our non-interest income, we distribute third-party products, such as, amongst others, mutual funds, brokerage and insurance products. We have engaged with various third-party product companies to distribute such products. However, we have no control over the actions of such third-party product companies and their products. Any failure on the part of such third-party product companies, including any failure to comply with applicable regulatory norms, any regulatory action taken against such parties or any adverse publicity relating to such party could, in turn, result in negative publicity about us and adversely impact our brand and reputation. Further, in case customers to whom such products are sold, experience deficiency of service or are otherwise aggrieved, we may be subject to litigation or claims for damages by such aggrieved customers, which could have an adverse effect on our reputation and our business, financial position and results of operations.

***23. The effects of the adoption of Indian Accounting Standards (“Ind AS”) are uncertain and any failure to successfully adopt Ind AS could adversely affect our business, financial conditions and results of operations.***

We currently prepare our annual and interim financial statements in accordance with Indian GAAP. The Ministry of Corporate Affairs, Government of India (“MCA”), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for scheduled commercial banks. However, the RBI, in its circular dated March 22, 2019, deferred the implementation of Ind AS by scheduled commercial banks until further notice.

The adoption of Ind AS would change, among other things, our methodology for estimating allowances for expected loan losses and for classifying and valuing our investment portfolio and our revenue recognition policy.

For estimation of expected loan losses, the new accounting standards may require us to calculate the present value of the expected future cash flows realizable from our advances, including the possible liquidation of collateral (discounted at the loan's effective interest rate). This may result in us recognizing allowances for expected loan losses in the future that may be higher than under the current Indian GAAP.

The mark-to-market requirements required under Ind AS may also impact our revenues and profitability. We have made no attempt to quantify the impact of the differences between Indian GAAP and Ind AS. However, it is possible that our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under Ind AS than under Indian GAAP.

If we are required to report in Ind AS, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, we will have to modify our internal control framework and adopt new internal controls to report under Ind AS. These new internal controls will require, amongst others, a transition to more model-based evaluation of certain items, as well as staff who are adequately knowledgeable with Ind AS. If we are required to report in Ind AS, we may encounter difficulties in implementation of effective internal controls in a timely manner.

***24. We rely on our correspondent banks in other countries to facilitate our foreign exchange operations. Any failure to maintain such relationships or enter into such new relationships with correspondent banks may impact our ability to grow our foreign exchange business.***

As of March 31, 2025, we maintain relationships with 223 correspondent banks and financial institutions across 55 countries. We offer trade finance, foreign exchange and certain other treasury services from these relationships. We maintain nostro accounts in foreign currencies which facilitates inward and outward remittance. Our customers can remit funds to India in any of the currencies for which we have opened such accounts, by instructing their banks to remit the funds to our nostro account maintained in that particular currency. We may need to open such nostro accounts with the correspondent banks in those

locations in case we intend to cater to a different foreign location or currency. Opening and maintaining such accounts requires compliance with strict KYC norms and any failure to adhere to such norms may result in the correspondent bank closing these accounts. A correspondent bank may discontinue any of the services that it offers in relation to such accounts, which may result in customer dissatisfaction. There can be no assurance that we will be able to retain our existing correspondent banks or enter into similar arrangements with new correspondent banks on commercially reasonable terms or at all.

***25. We need to comply with regulatory requirements in jurisdictions in which we operate as any adverse action by regulatory authorities may adversely affect the Bank's business, financial performance and reputation.***

The Bank and its overseas branches are required to maintain monitoring systems and controls, risk management structures, operational compliances and processes that meet regulatory requirements in their respective overseas jurisdictions. Any failure to comply may subject the Bank or its overseas branches to regulatory action from foreign and Indian regulators. The Bank has previously been subject to penalties imposed by regulators in the jurisdictions where its overseas branches are located and there can be no assurance that similar instances will not arise in the future. For example, in Fiscal 2023, Otoritas Jasa Keuangan, the Financial Services Authority of Indonesia had penalized the Bank's Indonesian subsidiary, IDR 153,250,000.00 (approximately ₹ 0.81 million). More recently, the Prudential Authority of the South African Reserve Bank imposed a total financial penalty of 10 million South African Rand on State Bank of India, South Africa Branch, for non-compliance with certain provisions of the Financial Intelligence Centre Act 38 of 2001. Of this penalty, 5.50 million South African Rand was paid on May 23, 2024, while the remaining 4.50 million South African Rand has been suspended for 36 months and will be payable before July 13, 2026. With the Bank's widespread overseas presence, despite the Bank's ongoing efforts to enhance the systems and controls to meet regulatory expectations in all jurisdictions in full, the relevant governments and regulatory agencies to which the Bank reports in India and other jurisdictions, have the authority to impose penalties and other punitive actions. Any such adverse action taken by such agencies could adversely affect the Bank's business, financial performance and reputation.

***26. The Indian banking industry is very competitive and our failure to maintain competitive advantages in a rapidly evolving Indian banking sector could impede our growth plans and have a material adverse effect on our business, results of operations and financial condition.***

We operate in a competitive industry. Private sector banks, other public sector banks and foreign banks are our main competitors, followed closely by NBFCs, small finance banks, payment banks, insurance companies, asset management companies, development financial institutions, mutual funds and investment banks. Amalgamated public sector banks have increased their financial strength, management capabilities, resources, operational experience, customer base and distribution channels and, as such, their ability to compete with us.

We also face competition from private sector banks in India, some of which have larger customer bases and greater financial resources. In addition, new entrants into the financial services industry, including companies in the financial technology sector, may further intensify competition in the business environments in which we operate, especially in the digital business environment. As a result, we may be forced to adapt its business to compete more effectively. For example, non-bank financial companies, particularly international technology companies, including large e-commerce players, have recently been increasing their presence in the financial sector in India and offering payment platforms and select services to customers, which increase competitive pressures on us.

In addition, entities within our Group, such as SBI Cards and Payment Services Limited ("**SBI Cards**"), SBI Life Insurance Company Limited ("**SBI Life**") and SBI Funds Management Limited ("**SBI Funds**"), face significant competition in their respective sectors. For example, SBI Cards competes directly with other credit card issuers and value-added payment product providers, which are continually innovating to attract and retain customers. SBI Life is exposed to competitive pressures from both established insurers and new market entrants offering life insurance, pension and health protection products. Similarly, SBI Funds competes with domestic and international asset management companies for investment advisory and management services. Increased competition in these areas could affect the market position, growth prospects, and profitability of these entities, thereby impacting our results of operations and financial condition.

Further, technology innovations in mobility and digitisation of financial services require banks to continuously develop new and simplified models for offering banking products and services. Innovations in the payments system and increasing use of mobile banking are leading to the emergence of new platforms for cashless payments. This can also lead to new types of banks expanding their presence in other financial products, such as insurance and mutual funds. These trends in technology could increase competitive pressures on banks, including us, to adapt to new operating models and upgrade back-end infrastructure on an ongoing basis. Due to these and other competitive pressures, we may be unable to successfully execute our growth strategy, which could adversely affect our business, financial condition and results of operations.

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

Our Bank's life insurance and general insurance businesses conducted through SBI Life and SBI General Insurance Company Limited, respectively are becoming an increasingly important part of our Bank's business. While these businesses have seen moderate growth since fiscal year 2009, there can be no assurance of their future rates of growth. Our Bank's life insurance

business offers life, pension and health products. Reductions in capital market valuations and volatility in capital markets have had an adverse impact on the demand for unit-linked products. The regulatory changes include caps on charges, including surrender charges, an increase in the minimum premium paying term and the introduction of minimum guaranteed returns on pension products. On July 8, 2019, the IRDAI had issued IRDAI (unit linked insurance products) Regulations, 2019 and IRDAI (non-linked insurance products) Regulations, 2019. These regulations on non-linked and linked life insurance products includes limits on the commission rates payable by insurance companies, the introduction of a minimum guaranteed surrender value and minimum death benefits for non-linked products. The new guidelines require life insurance companies to modify existing products to comply with the revised guidelines. These revisions could impact the growth, margins and profitability of our Bank's life insurance products. Further, the IRDAI (Expenses of Management, Including Commission of Insurers) Regulations, 2024 were amended to give insurers greater flexibility in managing their expenses, including commissions. This aims to help them optimize resource use, enhance benefits for policyholders, and improve insurance penetration, all within the limits set by the IRDAI. These amendments seek to balance operational flexibility and regulatory oversight by imposing Expenses of Management limits at the company level, rather than the previous segmental level, for general and health insurance sectors, while simplifying the monitoring process for life insurance. This initiative is part of a broader regulatory reform aimed at shifting towards principle based regulations and rationalizing the existing regulatory framework. (Source: IRDAI Annual Report 2023-24).

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

***28. Actuarial experience and other factors could differ from assumptions made in the calculation of life actuarial reserves, which may lead to losses if the assumptions are proven to be incorrect.***

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

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

In accordance with general insurance industry practice and accounting and regulatory requirements, our Bank's general insurance subsidiary i.e., SBI General Insurance Company Limited establishes reserves for loss and loss adjustment expenses related to its general insurance business. Reserves are based on estimates of future payments that will be made in respect of claims, including expenses relating to such claims. Such estimates are made on both a case-by-case basis, based on the facts and circumstances available at the time the reserves are established, as well as in respect of losses that have been incurred but not reported. These reserves represent the estimated ultimate cost necessary to bring all pending claims to final settlement.

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

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

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



**30. *The financial results of our Bank's general insurance subsidiary's business could be materially and adversely affected by the occurrence of a catastrophe.***

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

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

**31. *We are subject to capital adequacy norms and are required to maintain a capital-to-risk asset ratio ("CRAR") at the minimum level required by RBI for domestic banks. Any inability to maintain adequate capital due to change in regulations or lack of access to capital or otherwise could materially and adversely affect our results of operations and financial condition.***

We are subject to regulations relating to the capital adequacy of banks, which determines the CRAR, or the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio. The RBI requires banks in India to maintain a minimum CRAR of 11.50% (including capital conservation buffer). RBI had issued the 'Framework for dealing with Domestic Systemically Important Banks ("D-SIBs") on July 22, 2014, which was subsequently updated on December 28, 2023. The D-SIB framework requires the RBI to disclose the names of banks designated as D-SIBs starting from 2015 and place these banks in appropriate buckets depending upon their systemic importance scores. As per the RBI press release dated November 13, 2024, RBI requires D-SIB to maintain a buffer which ranges from 0.20% to 1.00%. In addition, in accordance with the RBI Basel III Capital Regulations, the Bank, effective 1<sup>st</sup> April 2025, is required to maintain a minimum common equity Tier I ("CET-I") capital ratio of 8.80% (including a capital conservation buffer of 2.50% and D-SIB buffer of 0.80%), and a minimum CRAR of 12.30% (including a capital conservation buffer of 2.50% and D-SIB buffer of 0.80%) of its risk weighted assets. Any incremental capital requirement may adversely impact our ability to grow our business and may even require us to withdraw from, or curtail, some of our current business operations.

The systemic importance of a bank would be determined based on the size, inter-connectedness, substitutability and complexity of the bank, with a larger weightage given to size. We were declared a systemically important bank in India by the RBI in August 2015 and in subsequent years. We were placed in the third bucket for Fiscal 2025 and we have been required to maintain additional common equity Tier 1 capital of 0.60% in a phased manner since April 19, 2016. In December 23, 2023, the RBI moved SBI to bucket 4 increasing the common equity Tier 1 requirement to 0.80% from April 1, 2025. Further, the RBI also released guidelines on implementation of counter cyclical capital buffers which propose higher capital requirements for banks, ranging from 0.00% to 2.50% of risk-weighted assets, during periods of high economic growth. The capital requirement would be determined based on certain triggers such as deviation of long-term average credit-to GDP ratio and other indicators. While these guidelines are already effective, the RBI has stated that current economic conditions do not warrant activation of the counter cyclical capital buffer. Any further increase in capital adequacy requirements or any movement of our Bank to a higher bucket may adversely impact the financial operations and conditions of the bank.

In accordance with the Basel III norms, as of March 31, 2025, the Bank's Tier I and total capital adequacy ratios were 12.11% and 14.25%, respectively. We are exposed to the risk of the RBI increasing the applicable risk weight for different asset classes from time to time. Although we have implemented and followed a policy of maintaining a minimum capital adequacy ratio as stipulated in the RBI Basel III Capital Regulations issued by the RBI, there can be no assurance that we will be able to maintain this ratio in the future. Implementation of Basel III or other such capital adequacy requirements imposed by RBI may result in the incurrence of substantial compliance and monitoring costs, and any breach of applicable laws and regulations will adversely affect our reputation, business operations and financial conditions. In addition, if additional or more stringent guidance on capital adequacy norms are imposed, we may be required to raise or maintain additional capital in a manner which could materially and adversely affect our business, financial condition and results of operations.

Our general insurance subsidiary i.e., SBI General Insurance Company Limited is also subject to solvency and capital requirements imposed by the respective regulator. While we currently do not expect such subsidiary to require additional equity capital or that we would make additional equity investments in such subsidiary, any requirement for our Bank to make additional equity investments in such subsidiary in the event of an increase in its capital requirements due to regulation or material stress would impact our Bank's capital adequacy requirements.

**32. *We may seek opportunities for growth through acquisitions, divest our existing businesses, or be required to undertake mergers by the Reserve Bank of India and could face integration and other acquisitions risks.***

We may seek opportunities for growth through acquisitions or be required to undertake mergers mandated by the RBI under its statutory powers. We may in the future examine and seek opportunities for acquisitions in countries where we currently operate. Our Subsidiaries or Associates may also undertake mergers, acquisitions and takeovers in India or internationally. Mergers and acquisitions by our Subsidiaries could lead to reduction in our shareholding in such Subsidiaries (including to below majority ownership in certain Subsidiaries). Any future acquisitions or mergers or takeovers, whether by us or our Subsidiaries, both Indian or international, may involve a number of risks, including the possibility of a deterioration of asset quality, quality of business and business operations, financial impact of employee related liabilities, diversion of our management's attention required to integrate the acquired business and the failure to retain key acquired personnel and clients, leverage synergies or rationalize operations, or develop the skills required for new businesses and markets, or unknown and known liabilities including any ongoing litigation, claims or disputes concerning such acquisition, merger, its shareholders, share capital or its legal and regulatory compliance obligations or practices, some or all of which could have an adverse effect on our business or that of our Subsidiaries or Associates.

We may also sell all or part of one or more of our businesses, including our Subsidiaries, for a variety of reasons including changes in strategic focus, redeployment of capital, contractual obligations and regulatory requirements.

***33. Our inability to maintain or grow our Current Account Savings Account ("CASA") ratio may result in higher cost of deposits and impact our financial condition.***

We have traditionally maintained high Current Account Savings Account ("CASA") deposits due to our large retail customer base spread across India. In Fiscals 2023, 2024 and 2025, the share of domestic CASA deposits was 43.80%, 41.11% and 39.97%, respectively of our Bank's total domestic deposits. Any decline in CASA share on total deposit could adversely impact the profitability of our Bank. Our liquidity position will also be adversely affected if a significant portion of our depositors do not roll over deposited funds upon maturity or do so for a shorter maturity than that of our assets. Our ability to raise fresh deposits and grow our deposit base depends in part on our ability to expand our network of branches. Further, though retail deposits constitute a huge portion of our deposit base, we also accept high value deposits depending on the funding requirements. Accordingly, we may be required to seek more expensive sources of funding to finance our operations, which would result in a decline in our profits and have a material adverse effect on our business, liquidity, financial condition and results of operations.

We intend to and continue focusing on providing top-quality service offerings to our customers, in line with our value of always placing the "customer first". However, there is no assurance that we will be successful in growing our CASA base. If our CASA to deposits ratio deteriorates significantly as compared to the banking industry standards in India, our results of operations may be materially and adversely affected.

We may not be able to maintain our CASA to deposits ratio owing to the increased competition from other banks and lending institutions. In order to increase our CASA deposits, we intend to continue expanding our branch network both in rural and urban areas, offering attractive interest rates for our savings account customers. However, there is no assurance that we will be successful in growing our CASA base. If we fail to maintain or grow our CASA ratio, our financial condition and cash flows may be materially and adversely affected.

***34. Non-compliance with RBI inspection/ observations may have an adverse effect on our business, financial condition or results of operation. Our overseas branches are also subject to inspections from regulators in such jurisdictions. Any adverse observations from such regulators could have an adverse effect on our business, financial condition or results of operation.***

We are subject to periodic inspections by RBI under the Banking Regulation Act including the Supervisory Program for Assessment of Risk and Capital, during the course of which, the RBI advises on issues related to various risk and regulatory non-compliances. During such inspections in the past, the RBI has made certain observations regarding our business and operations and incorporates such findings in its final inspection report and requires that we take certain actions to its satisfaction. The RBI has, among other things, identified deficiencies in our operations including, governance and risk management, capital computation, fraud detection and reporting, strengthening of the control functions, cyber security capabilities, credit monitoring arrangements, effective monitoring of loan portfolio and classification of loans (including borrower categorization under the large exposure framework), erroneous reporting of external ratings, strengthening its collateral management system to include a framework for centralized monitoring of collaterals and valuation of collateral, deficiencies with respect to cross selling, delayed formulations of business plans and operating systems used in the ATMs. Further, the RBI has observed that certain compliance requirements were not being met by us, including in relation to risk management and holdings in non-subsidiaries engaged in non-financial services. The RBI also made certain observations in relation to our overseas Subsidiaries with respect to show causes notices issued by overseas authorities. The last RBI inspection was for March 31, 2024. While we are undertaking, and have undertaken, steps to comply with these observations and have informed the RBI regarding the status of our compliance, there can be no assurance that the RBI will consider such steps to be adequate and treat the observations as being duly complied with. In the event we are not able to comply with the observations made by the RBI, we could be subject to supervisory actions which may have a material adverse effect on our reputation, financial condition and results of operations. Further, our overseas Subsidiaries are also subject to inspections/ observations from regulators in such jurisdictions and any adverse observation may have an adverse effect on our business and financial conditions.

**35. *Our treasury income, debt investment portfolio and derivatives portfolio are exposed to risks relating to mark-to-market valuation, illiquidity and credit risk and income volatility.***

Our income from treasury operations is subject to volatility due to, among other things, changes in interest rates and foreign currency exchange rates as well as other market fluctuations. For example, our Bank had a net investment portfolio in available for sale and held for trading of ₹ 4,386.83 billion as of March 31, 2025. In the event of a rise in interest rates, our portfolio will be exposed to the adverse impact of the mark-to-market valuation of such investments and may, under certain circumstances, require us to mark down the value of these investments on our balance sheet and recognize a loss on our income statement. Any rise in interest rates leading to a fall in the market value of such debentures or bonds may materially and adversely affect our business, financial condition and results of operations. We may also face income volatility due to the illiquid nature of market for the disposal of some of our debt investment portfolio.

While our gross non-performing investments are monitored and recovery efforts are carried out, any increase in the amount of non-performing investments due to adverse developments in the domestic or international markets, may adversely affect our financial condition.

Similarly, our derivative portfolio is subject to fluctuations in interest rates and foreign exchange rates, and any movement in those rates may require us to mark down the value of our derivatives portfolio. While we invest in corporate debt instruments as part of our normal business, we are exposed to the risk of an issuer defaulting on its obligations. Changes in corporate bond spreads also affect valuations and expose us to risk of valuation losses. Although we have risk and operational controls and procedures in place for our treasury operations, such as sensitivity limits, value at risk (“VaR”) limits, position limits, stop loss limits and exposure limits that are designed to mitigate the extent of such losses, there can be no assurance that we will not lose our investments in the course of trading on our fixed income book in held for trading and available-for-sale portfolio. Any such losses could materially and adversely affect our business, financial condition, results of operations and prospects.

**36. *Our risk management policies and procedures may not adequately address unidentified or unanticipated risks.***

Our risk management functions are divided on the basis of principal risks defined under applicable Basel III guidelines, i.e., credit risk, market risk, operational risk and liquidity risk. While we have a well-defined risk management governance framework that comprises the Risk Management Committee and sub committees for management of credit, market, liquidity and operational risk, to the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures, in particular to market environments or against particular types of risk. We have devoted significant resources to develop our risk management policies and procedures and aim to continue to do so in the future. See “*Our Business - Risk Management Overview*” on page 167. Despite this, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our methods of managing risks are based upon the use of observed historical market behavior. As a result, these methods may not accurately predict future risk exposures which could be significantly greater than those indicated by the historical measures. Management of operations, legal and regulatory risks requires, among other things, policies and procedures to properly record and verify a large number of transactions and events, and these policies and procedures may not be fully effective. As we seek to expand the scope of our operations, we also face the risk that we may not be able to develop risk management policies and procedures that are properly designed for new business areas or to manage the risks associated with the growth of our existing businesses effectively. Implementation and monitoring may prove particularly challenging with respect to businesses that we plan on developing. An inability to develop and implement effective risk management policies may materially and adversely affect our business, financial condition and results of operations.

**37. *We are involved in certain legal and other proceedings which, if determined against us, could have a material adverse impact on our financial condition.***

We are involved in various legal proceedings and other proceedings in the ordinary course of our business. These legal proceedings are primarily in the nature of tax proceedings, recovery proceedings, consumer disputes, regulatory proceedings, criminal complaints and other civil proceedings, and are pending at different levels of adjudication before various courts, tribunals, statutory and regulatory authorities/ other judicial authorities. For further details, see “*Legal Proceedings*” on page 258. Although it is our policy to make provisions for probable loss, we are guided by regulatory prescriptions. We have also been penalized by RBI and regulators in overseas jurisdictions for certain non-compliances or contravention of applicable law in the past, from time to time. See “– *Any regulatory investigations, fines, sanctions, and requirements relating to conduct of business and financial crime could negatively affect our business and financial results, or cause serious reputational harm across our businesses.*” at page 54. We can give no assurance that these legal proceedings will be decided in our favour and we may incur significant expenses and management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If any new developments arise, for example, rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our

Equity Shares. If our provisioning is inadequate relative to actual losses on final judgment, such additional losses could have an adverse impact on our business and financial condition.

**38. *We are exposed to risks arising from the performance of our Subsidiaries, Joint Ventures and Associates, including our asset management and credit card business related subsidiaries, which contribute significantly to our consolidated results.***

As of March 31, 2025, we have 29 Subsidiaries, 8 Joint Ventures and 4 Associates (excluding Regional Rural Banks). Our Bank has total of 14 Regional Rural Banks namely, Andhra Pradesh Grameena Vikas Bank, Arunachal Pradesh Rural Bank, Chhattisgarh Rajya Gramin Bank, Ellaquai Dehati Bank, Madhyanchal Gramin Bank, Meghalaya Rural Bank, Mizoram Rural Bank, Nagaland Rural Bank, Saurashtra Gramin Bank, Utkal Grameen Bank, Uttarakhand Gramin Bank, Jharkhand Rajya Gramin Bank, Rajasthan Marudhara Gramin Bank, Telangana Grameena Bank.

In particular, SBI Funds, our asset management company, is a subsidiary of the Bank and is a joint venture between SBI Mutual Fund and Amundi and SBI Cards is engaged in the credit card business. In Fiscal 2025, SBI Funds and SBI Cards contributed ₹ 25.31 billion and ₹ 19.16 billion in net profit to our business, respectively. Given the material net profits reported by SBI Funds and SBI Cards, any adverse changes to their operating performance, regulatory environment, competitive position or ability to maintain growth and profitability could significantly affect our Bank's consolidated financial condition and results of operation. Such adverse changes could similarly also affect our Bank's life insurance subsidiary, SBI Life, see “– While our Bank's insurance businesses are becoming an increasingly important part of its overall business, there can be no assurance of their future rates of growth or levels of profitability” on page 47.

Consequently, the performance of any or all of key Subsidiaries, Joint Ventures and Associates, and in particular, SBI Cards and SBI Funds could have a material impact on our financial performance on a consolidated basis.

**39. *Our business operations are heavily reliant on our information technology systems. Any failure of or disruptions in our systems could have an adverse impact on our operations and financial condition.***

Our business is largely dependent on our information technology systems. We service our customers, undertake our risk management functions, provide deposit services, loan origination functions, as well as increase our portfolio of products and services, through our information technology systems. We also rely on our technology platform to undertake financial control and for transaction processing. In addition, our systems connect our ATMs, branches and other delivery channels. Our hardware and software systems are also subject to damage or incapacitation by human error, natural disasters, power loss, sabotage, computer viruses and similar events or the loss of support services from third parties such as internet backbone providers. Our information technology systems may be subject to interruptions and temporary disruptions and may not meet our requirements or be suitable for use at all times. We cannot assure you that we will not encounter service disruptions in the future due to substantially increased numbers of customers and transactions, or for other reasons. Further, any continued disruption in our information technology systems or delayed implementation of hardware/ software updates may also result in certain measures being imposed by the RBI, including limiting certain business activities. Any inability to maintain the reliability and efficiency of our systems could adversely affect our reputation, and our ability to attract and retain customers. In the event we experience system interruptions, errors or downtime (which could result from a variety of causes, including changes in customer use patterns, technological failure, changes to systems, linkages with third-party systems and power failures) or any other failures, or if we are unable to develop necessary technology, our business, financial condition and results of operations may be adversely affected.

Any failure by our third-party vendors to perform any key processes and critical application systems could adversely affect our business, financial condition and results of operations. Although we intend to continue to implement security technology and establish operational procedures to prevent break-ins, damage and failures, there can be no assurance that these security measures will be adequate or successful. Failed security measures could have an adverse effect on our business, financial condition and results of operations.

**40. *Our international operations are subject to legal and regulatory risks. If we do not effectively manage our foreign operations or any further international expansion, our operations may incur losses or otherwise adversely affect our business and results of operations.***

Our international operations included 244 branches in 29 countries, as of March 31, 2025. In addition, we have overseas banking subsidiaries across Nepal, Canada, USA, UK, Indonesia, Mauritius and Russia. As a result, we are subject to additional risks related to complying with wide variety of international banking and financial services laws and regulations and regulatory and enforcement authorities in the jurisdictions in which we operate. In addition, we also face risks related to economic and political environment challenges, restrictions on the import and export of certain intermediates, banking regulations, technologies and multiple and possibly overlapping tax structures.

The laws and regulations governing the banking and financial services industry in the jurisdictions we operate, have become increasingly complex, governing a wide variety of issues, including interest rates, liquidity, capital adequacy, securitization, investments, ethical issues, money laundering, privacy, record keeping, outsourcing and marketing and selling practices, with sometimes overlapping jurisdictional or enforcement authorities. We have in the past experienced certain instances of non-compliance with applicable regulations, and have been penalized for such non-compliances. See “ – *We need to comply with regulatory requirements in jurisdictions in which we operate as any adverse action by regulatory authorities may adversely affect the Bank’s business, financial performance and reputation.*” on page 46.

Any failure to comply with applicable regulations in various jurisdictions, including unauthorized actions by employees, representatives, agents and third parties, suspected or perceived failures and media reports, and future inquiries or investigations by regulatory and enforcement authorities, may result in regulatory action including financial penalties and restrictions on or suspension of the related business operations. We may also face difficulties integrating new facilities in different countries into our existing operations, as well as integrating employees that we hire in different countries into our existing corporate culture or comply with unfamiliar laws and regulations. In addition, we face competition from banks in other countries that may have more experience and resources in those countries or in international operations generally. We remain a small-size operator in foreign markets where we are currently present and many of our competitors have much greater resources. If we do not effectively manage our foreign operations, our results of operations may be adversely affected.

**41. *The insolvency laws of India may differ from other jurisdictions with which holders of Equity Shares are familiar.***

The IBC offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The IBC creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which facilitates a formal and time-bound insolvency resolution and liquidation process.

If insolvency proceedings are initiated against any of our debtors, we may not have complete control over the recovery of amounts due to us. Under the IBC, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any decision of the committee of creditors must be taken by a vote of not less than 51.0% of the voting share of all financial creditors, unless otherwise specified in the IBC. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it. In addition, if the corporate insolvency resolution process is initiated and admitted before the NCLT under the IBC, against any of the corporate debtors of our Company, then it may affect our ability to recover amounts due under the loans made available to the said customers, during the moratorium period as part of the resolution proceedings under the IBC.

If the liquidation process is opted for, the IBC provides for a fixed order of priority in which proceeds from the sale of the debtor’s assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes and debts owed to workmen and other employees. Pursuant to an amendment to the IBC, allottees in a real estate project are considered at par with financial creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realize their security interests in priority. Accordingly, if provisions of IBC are invoked against any of our customers, it may affect our ability to recover our loans from the customers and enforcement of our rights will be subject to the IBC.

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

The Bank can be placed in liquidation only by an order of the Government pursuant to Section 45 of the SBI Act, which exempts the Bank from provisions of Indian law relating to the winding-up of companies generally and stipulates that the Bank cannot be placed in liquidation except by order of the Government. Accordingly, in the event of liquidation of the Bank, holders of Equity Shares will not be able to claim as per the general insolvency waterfall provided under the IBC and the Government would have the sole ability to determine the ranking of claims of the Bank in liquidation.

**43. *Any downgrade in the Bank’s credit ratings could affect our ability to access cost effective funding, thereby adversely affect our business, results of operations and financial condition.***

The pricing on our issuances of debt will be negatively impacted by any downgrade or potential downgrade in our credit ratings, which could increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis. There is no downgrade of Bank’s/Bank’s instrument for past three fiscals. Set forth below are details of our credit ratings as of the corresponding periods:

| Rating Agency          | Instrument/Purpose/ Issue      | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2025 |
|------------------------|--------------------------------|----------------------|----------------------|----------------------|
| CRISIL Ratings Limited | Tier I bonds (under Basel III) | CRISIL AA+/Stable    | CRISIL AA+/Stable    | CRISIL AA+/Stable    |
|                        | Fixed deposits                 | CRISIL AAA/Stable    | CRISIL AAA/Stable    | CRISIL AAA/Stable    |

|                                          |                                   |                    |                    |                    |
|------------------------------------------|-----------------------------------|--------------------|--------------------|--------------------|
|                                          | Long-term bonds                   | -                  | -                  | CRISIL AAA/Stable  |
|                                          | Certificate of deposits           | -                  | -                  | CRISIL A1+         |
|                                          | Tier II bonds (under Basel III)   | CRISIL AAA/Stable  | CRISIL AAA/Stable  | CRISIL AAA/Stable  |
| ICRA Limited                             | Basel III Tier II bonds           | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) |
|                                          | Long-term bonds                   | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) |
|                                          | Basel III Tier I bonds            | [ICRA]AA+ (Stable) | [ICRA]AA+ (Stable) | [ICRA]AA+ (Stable) |
|                                          | Fixed deposits                    | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) |
| India Ratings & Research Private Limited | Long-term issuer rating           | IND AAA/Stable     | IND AAA/Stable     | IND AAA/Stable     |
|                                          | Long-term bonds                   | IND AAA/Stable     | IND AAA/Stable     | IND AAA/Stable     |
|                                          | Basel III tier II bonds           | IND AAA/Stable     | IND AAA/Stable     | IND AAA/Stable     |
|                                          | Basel III additional tier 1 bonds | IND AA+/Stable     | IND AA+/Stable     | IND AA+/Stable     |
|                                          | Certificates of deposit           | IND A1+            | IND A1+            | IND A1+            |
| CARE Ratings Limited                     | Long-term bonds                   | -                  | -                  | CARE AAA; Stable   |
|                                          | Tier I bonds                      | CARE AA+; Stable   | CARE AA+; Stable   | CARE AA+; Stable   |
|                                          | Tier II bonds                     | CARE AAA; Stable   | CARE AAA; Stable   | CARE AAA; Stable   |

Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debts in domestic and international markets, which would increase our financing costs and adversely affect both our future debt issuances and our ability to raise new capital on a competitive basis, which may, in turn, adversely affect our profitability and future growth. In addition, any downgrade of our credit ratings could result in additional terms and conditions being included in any financing or refinancing arrangements in the future. We cannot guarantee that our ratings will not change, or that any other rating agency will not downgrade India's credit rating. Also see, “ - Any downgrade in India's sovereign debt rating by international rating agencies could adversely impact our ability to raise additional foreign currency financing, interest rates and other commercial terms at which such financing is available” on page 65.

**44. We may not be able to detect money-laundering and other illegal or improper activities in a comprehensive manner or on a timely basis, which could expose us to additional liability and harm our business or reputation.**

Although we comply with the guidelines related to Anti-Money Laundering issued by RBI and Financial Intelligence Unit-India and all necessary reporting is also being done but banking channels have an inherent risk of misuse by money launderers, terrorists and cyber criminals. For the last three fiscal years, regulatory reports are being submitted as per guidelines and no penalty has been imposed till date regarding regulatory reporting.

While we continue to strengthen our AML and KYC procedures, to the extent we fail to fully comply with applicable laws and regulations, the relevant governmental and regulatory agencies may impose fines and other penalties and, in certain circumstances, ask us to cease operations. In addition, any adverse action taken by such agencies could adversely affect our reputation, thereby affecting our business and future financial performance.

A penalty of approximately ₹ 17.28 million was imposed by RBI on the Bank by an order dated April 29, 2025 (“**Order**”) for non-compliance with certain directions issued by RBI on ‘Loans and Advances- Statutory and Other Restrictions’, ‘Customer Protection – Limiting Liability of Customers in Unauthorised Electronic Banking Transactions’ and ‘Opening of Current Accounts by Banks - Need for Discipline’. The RBI in its Order concluded that the (a) Bank issued a bridge loan to an entity against pending receivables from the central or state government, breaching regulatory norms, (b) Bank also failed to credit customers’ accounts (through shadow reversal) within 10 working days of being notified of unauthorized electronic banking transactions; and did not compensate affected customers within the stipulated 90-day period from the date of receiving complaints; and (c) opened and maintained certain current accounts in violation of the existing RBI regulations.

Recently, the Prudential Authority of the South African Reserve Bank (“**PASARB**”) imposed a total financial penalty of 10 million South African Rand on State Bank of India, South Africa Branch, for non-compliance with certain provisions of the Financial Intelligence Centre Act 38 of 2001 following an anti-money laundering and counter-financing of terrorism inspection. Of this penalty, 5.50 million South African Rand was paid on May 23, 2024, while the remaining 4.50 million South African Rand has been suspended for 36 months and will be payable before July 13, 2026.

Regulators from other jurisdictions may also observe similar deficiencies in the Bank's financial control framework. Although the penalty imposed by the PASARB did not materially impact the Bank's profitability, there can be no assurance that this or similar punitive actions by the PASARB and/or other regulators in the future will not have a material adverse effect on the Bank's financial position, results of operations or its reputation or that the measures taken by the Bank to remedy such detected deficiencies in its control processes would be sufficient.

**45. Our ability to pay dividends in the future will depend upon applicable RBI regulations, our earnings, financial condition and capital requirements. Any inability to declare dividend may adversely affect the trading price of our Equity Shares.**

While we have a formal board approved dividend distribution policy to govern our dividend pay-out, our future ability to pay dividends and the amount of any such dividends, if declared, will depend upon a number of factors, including our future earnings, financial condition, capital requirements, our compliance with regulatory requirements, meeting the RBI mandated CRAR and net NPA parameters and our operating performance. Dividends distributed by us may attract dividend distribution tax at rates applicable from time to time. We cannot assure you that we will generate sufficient income to cover our operating expenses and shall be able to pay dividends. Our present and future dividend policy is based on the terms of the extant GoI/ RBI guidelines and directives and terms of the SEBI Listing Regulations. For further information, see “Dividend Policy” on page 76.

The RBI has prescribed limits on the dividend pay-out ratio of banks in India linked to certain parameters such as the risk-based capital ratio and net NPA ratio. Under the RBI’s Basel III guidelines, banks are subject to higher minimum capital requirements and must maintain a capital conservation buffer above the minimum requirements to avoid restrictions on capital distributions and discretionary bonus payments. Any change in restrictions on payment of dividend or capital requirements may limit our ability to pay dividends to Shareholders. The declaration and payment of dividends are subject to the provisions of the Banking Regulation Act and regulations made thereunder, the RBI Act and regulations and guidelines made thereunder including the RBI guidelines on ‘Declaration of Dividends by Banks’ dated May 4, 2005, which prescribed certain conditions for declaration of dividends by banks (“**RBI Dividend Circular**”) and the RBI Circular (RBI/2021-22/23 DOR.ACC.REC.7/21.02.067/2021-22) dated April 22, 2021. The Bank follows the Banking Regulation Act, the RBI Dividend Circular and Regulation 43A of the SEBI Listing Regulations in this regard. Dividends that our Bank has paid in the past may not be reflective of the dividends that our Bank may pay in a future period.

**46. Our business and financial condition may be adversely affected if we are unable to develop new products and services.**

The role of technology in driving differentiation and business growth is crucial in the highly competitive banking sector. We are committed to leveraging technological advancements to continually innovate and enhance customer experiences across all digital platforms. Our strategic focus includes the development of user-friendly digital banking services such as mobile banking, internet banking, UPI, and streamlined digital processes such as e-signing of documents and digital transactions incentivization, e-Trade finance, streamlines operations, etc. Additionally, our collaborative efforts with various companies have introduced cutting-edge products, further expanding our digital footprint. Partnerships with third parties underscore our proactive approach in meeting the evolving needs of our diverse customer base. We have also increased the presence of authorized dealer branches, Foreign Currency Non-Resident Bank Account Authorized Branches, World Trade Center authorized Branches, and as of March 31, 2025, we have designated 434 Branches as Non-Resident Indian (“**NRI**”) specialized Branches in India. Furthermore, our Bank has tie-ups with 45 exchange houses and five middle eastern banks to facilitate remittances.

While we have been diversifying and expanding our products and services to deliver innovative, customer-centric solutions and forging strategic partnerships, we cannot assure you that we will be able to continue delivering value and maintain our competitive edge in the banking sector. The successful diversification of our product and service offerings, while managing associated risks and challenges, is essential. Potential outcomes, such as returns on new products falling short of expectations, could materially impact our liquidity, business prospects, financial condition, and overall operational results. Furthermore, heightened competition that better anticipates customer needs within our target markets could potentially diminish our market share and adversely affect our business operations.

**47. There are limitations in the scope of the procedures adopted by our statutory auditors in the audit of our financial statements.**

We are a commercial bank with a network of 22,937 branches in India as of March 31, 2025. As noted in the audit reports for the financial statements for Fiscals 2023, 2024 and 2025, there are certain limitations in the scope of the audit of such financial statements. For example, the audited standalone financial statements for Fiscal 2025 incorporate financial information from 6,185 branches including other accounting units, which have not been subjected to audit by the central statutory auditors and were audited by respective branch auditors. These branches and processing centres accounted for approximately 60% of advances and 57.22% of deposits, in Fiscal 2025. For further details, see “Financial Statements” on page 263. An inability to maintain an effective internal audit system or adequate procedures by our officials in the audit of our financial statements may affect the reliability of our financial statements.

**48. Any regulatory investigations, fines, sanctions, and requirements relating to conduct of business and financial crime could negatively affect our business and financial results, or cause serious reputational harm across our businesses.**

The RBI is empowered under the Banking Regulation Act and the circulars, guidelines and notifications issued thereunder to impose penalties on banks and their employees, to enforce applicable regulatory requirements or in case of infringement of any

provisions of the Banking Regulations Act. In the past, the RBI has levied penalty on us for non-compliance with guidelines and instructions issued by the RBI from time to time, as well as on account of fraud.

We are periodically subject to inspections by the relevant authorities. Certain of these inspections have resulted in investigations and cases commenced against us or some of our employees. Going forward we will remain subject to similar inspections, investigations and cases. If one or more of such inspections, investigations or cases leads to a significant award or penalty against us, our business may be adversely affected. The table below sets forth details of regulatory penalties imposed by the RBI during the last three fiscals:

| Period      | Date of Action/Penalty | Brief Description of the Action/Penalty                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Quantum of Penalty (₹ in millions) |
|-------------|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Fiscal 2023 | Nil                    | --                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | --                                 |
| Fiscal 2024 | September 21, 2023     | <p>The Reserve Bank of India issued a Show Cause Notice to SBI on April 6, 2023.</p> <p>The compliance breaches cited were as under:</p> <p>a) The bank failed to comply with Reserve Bank direction on Loans and Advances</p> <p>b) The bank failed to comply with the Reserve Bank directions on “Guidelines on management of Intra - group transactions and Exposures”.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 13.00                              |
|             | February 26, 2024      | <p>The penalty has been imposed due to non-compliance with Reserve Bank directions by SBI, observed during the statutory inspection based on its financial position as on March 31, 2022.</p> <p>The compliance breaches for which the penalty has been imposed are as under the provisions of sub-section (2) of Section 19 of the BR Act.</p> <p>The Bank contravened the provisions of Section 26A of the BR Act read with the Depositor Education and Awareness Fund (Fund) Scheme.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 2.00                               |
| Fiscal 2026 | April 29, 2025         | <p>RBI issued a Show Cause Notice vide letter No. CO.ENFD.DECB.No.S498 /02-01-021/2024-2025 dated October 22, 2024 under Sections 35, 35A, 46, 47A and 51 of Banking Regulation Act, 1949 due to Non-compliance with the Reserve Bank directions observed during the statutory inspection of the bank with reference to financial position as on March 31, 2023.</p> <p>RBI observed as under:</p> <p>a) Extending bridge loan to Andhra Pradesh State Civil Supplies Corporation Limited (APSCSCL);</p> <p>b) (i) Shadow reversal of the amount involved in the unauthorised electronic transaction to the customer's account within 10 working days from the date of notification by the customer in 13,787 instances. (ii) Compensated customers with delays ranging up to 409 days.</p> <p>c) Opening of Current Accounts by Banks - Need for Discipline.</p> <p>d) Non - obtention of undertaking from current account holders having exposure of less than Rs. 5 crore.</p> <p>e) Not giving notice of change in interest rate and elongation of tenure of retail loans in 2.07 lakh instances.</p> <p>In exercise of the powers conferred under Section 47A(1)(c) read with Sections 46(4)(i) and 51(1) of the Banking Regulation Act, 1949, an aggregate penalty of Rs. 1,72,80,000 (Rupees One crore seventy-two lakh eighty thousand only) imposed by RBI in respect of three points</p> | 17.30                              |



| Period | Date of Action/Penalty | Brief Description of the Action/Penalty                   | Quantum of Penalty (₹ in millions) |
|--------|------------------------|-----------------------------------------------------------|------------------------------------|
|        |                        | (*Point no a,b &c, as mentioned as Non-Compliance above). |                                    |

The penalties imposed by such regulators have in the past generated adverse publicity for us and our business. Such adverse publicity, or any future scrutiny, investigation, inspection or audit which could result in fines, public reprimands, reputational loss, significant time and attention from our management, costs for investigations and remediation of affected customers, may adversely affect our business and financial performance.

We cannot predict the initiation or outcome of any such investigations by other authorities or different investigations by relevant authorities. Any penalty imposed as a result of such investigations may generate adverse publicity for our business. Such adverse publicity, or any future scrutiny, investigation, inspection or audit which could result in fines, public reprimands, and damage to our reputation, significant time and attention from our management, costs for investigations and remediation of affected customers, may adversely affect our business and financial results.

**49. A substantial portion of our Bank's loans have a tenor exceeding one year are unsecured, exposing us to risks associated with economic cycles. In the event of non-payment by borrowers of these loans, we may be unable to collect the unpaid balance.**

We offer unsecured personal loans to the retail customer segment, including salaried individuals and self-employed professionals. In addition, we offer unsecured loans to corporates, small businesses and individual businessmen. As of March 31, 2025, our unsecured loans (net) amounted to ₹ 12,060.46 billion, which contributed 28.97% of our Bank's net advances of ₹ 41,633.12 billion. Unsecured loans are at higher credit risk for us than our secured loan portfolio as they may not be supported by realizable collateral that could help ensure an adequate source of repayment for the loan. Although we may obtain direct debit instructions or post-dated cheques from our customers for our unsecured loan products, we may be unable to collect in part or at all in the event of non-payment by a borrower. Further, any increase in delinquency in our unsecured loan portfolio could require us to increase our provision for credit losses, which would decrease our earnings.

In addition, as of March 31, 2025, loans with an outstanding tenor exceeding one year constituted 80.13% of our Bank's total standard domestic advances. The long tenor of these loans may expose our Bank to risks arising out of economic cycles exposing us to liquidity risks.

**50. We have existing indebtedness, and may incur additional indebtedness, which could adversely affect our financial condition, and/or our ability to obtain financing in the future, react to changes in our business and/or satisfy our obligations.**

As of March 31, 2025, our Bank had ₹ 1,695.57 billion of outstanding debt liabilities in the form of debt securities, Tier I bonds, subordinate debts for Tier II capital and long-term infrastructure bond. Our existing indebtedness could impose restrictions on our business operations which may be in the nature of following:

- it may be challenging for us to obtain additional financing, should such a need arise, which may limit our ability to satisfy obligations with respect to our debt;
- a portion of our financial resources must be dedicated to the payment of principal and interest on our debt, thereby reducing the funds available to use for other purposes;
- it may be difficult for us to satisfy our obligations to our creditors, resulting in possible defaults on, and acceleration of, such debt;
- we may be more vulnerable to general adverse economic and industry conditions;
- our ability to refinance debt may be limited or the associated costs may increase; and
- our flexibility to adjust to changing market conditions could be limited, or we may be prevented from carrying out capital spending that is necessary or important to our growth strategy and efforts to improve operating margins of our businesses.

In addition, failure to comply with the terms of these financing agreements may lead to action against us, and may require us to accelerate payment of our loans. Default in our repayment obligations may also affect our ability to raise financing in future.

**51. Any deficiencies, inaccuracies or mis-specification in the models and data we rely on for our risk analysis could impact our decision-making and operations.**

As part of ordinary decision-making process, we rely on various models for data analysis and risk assessment. These models are based on historical data supplemented with managerial inputs and comments. These models analyze data which may not always be accurate or adequate to guide for strategic and operational decisions and protect from risks. Any misspecification, deficiencies or inaccuracies in the data used for model development might have a material adverse impact on Bank's business,

operations and financial conditions. As we endeavor to broaden its operations in newer geographies and new product areas, there is a risk that we may struggle to create tailored risk management policies/procedures/models suitable for these new areas and products, or effectively handle the risks linked to the expansion of our current businesses. Also, implementation and monitoring may prove to be challenging with respect to our expansion and development.

**52. *Some of our offices, branches and ATMs are located on premises taken by us on lease. We may not be able to renew these agreements for our branches upon acceptable terms or at all which could have an adverse effect on our business and results of operations.***

Some of our offices, branches and ATMs are located on premises taken by us on lease. Some of the lease/ leave and license agreements may have expired in the ordinary course of business. In case of non-renewal of our leases or if such agreements are renewed on unfavorable terms and conditions, we may be forced to procure alternative space for our existing branches and incur additional costs in such relocation. Our Bank is currently in the process of negotiating renewals or shifting premises, as applicable. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease or license agreements. This may cause a disruption in our operations or result in increased costs, or both, which may materially and adversely affect our business, financial condition and results of operations in respect of such defaulting premises. Further, there may be some disagreement on stamp duty on some of our lease agreements with the registering authority of the appropriate jurisdiction. An instrument not duly stamped, or insufficiently stamped, shall not be admitted as evidence in any Indian court or may attract a penalty as prescribed under applicable law, which could adversely affect the continuance of our operations and business. Although we procure space that satisfies the safety, operational and financial criteria for our branches, we cannot assure you that we will be able to identify such space at commercially reasonable terms or at all.

**53. *We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties. We cannot assure you that we will receive similar terms in our related party transactions in the future and that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. The transactions we have entered into and any further transactions that we may have with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to us. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our business and financial results, including because of potential conflicts of interest or otherwise. We have a Board approved related party transactions policy as mandated by the SEBI, which is the guiding document for related party transactions. See “*Financial Statements*” on page 263.

**54. *Our employees are unionized and any union action may adversely affect our business.***

We have two majority and representative unions, which are All India State Bank Officers’ Federation (“**AISBOF**”) and All India State Bank of India Staff Federation (“**AISBISF**”). We are a member of the Indian Banks’ Association, which negotiates wages and other service conditions with the major unions.

From time to time, the labour unions for the banking employees organize strikes, as a result of which, we have been and may in the future be affected by strikes, work stoppages or other labor disputes. We have had past instances of industry wide strikes by the unions which affected all banks and we have also had past instances of strikes which only affected us. In the event of a labour dispute, protracted negotiations and strike action may impair our ability to carry on our day-to-day operations, which could materially and adversely affect our business, future financial performance and results of operations. While we believe that we have a strong working relationship with our unions, associations and employees, and also believe that the same shall continue in future, there can be no assurance that we will continue to have such a relationship in the future, and that there will not be significant strikes or disputes with employees that could affect our operations in future.

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

We operate a defined benefit pension fund scheme. A discount rate is used to calculate the present value of our future liabilities in relation to the scheme and is linked to the long-term yield on GoI securities. A reduction in the long-term interest rate would increase the present value of our pension obligations. As a result, we may be required to make further cash contributions to the scheme in order to cover the deficit which may in turn lead to an increase in its pension expenses. In a falling interest rate scenario, the held-to-maturity value of already invested securities is likely to go up, thereby offsetting the increase in present value of pension obligation to an extent.

**56. *Our inability to renew or maintain our statutory and regulatory permits and approvals required to operate our business may adversely impact our business, financial condition and results of operation.***

We are required to obtain various statutory and regulatory licences, permits and approvals to operate our business which require us to comply with certain terms and conditions in the ordinary course of our business. Our inability to obtain these licences/permits/approvals or non-compliance of the terms and conditions mentioned therein may attract penalties and strictures from the regulatory authorities if the irregularities pointed out by the inspecting officials of the concerned authorities are not rectified within the time allowed by them and in extreme cases, it may result in the interruption of all or some of our operations and may have a material adverse effect on our business, financial condition, results and cash flow and could also adversely affect our financial performance and reputation.

In addition, our branches in some states are also required to be registered under the relevant shops and establishments laws of the concerned states within whose territorial jurisdiction, our branch is located, unless otherwise exempt under such enactments. Some of these approvals and registrations may have expired or lapsed for which are in the process of making an application for obtaining the approvals of its renewal. Inability to obtain these licences/permits/approvals or non-compliance of the terms and conditions mentioned therein may attract penalties and strictures from the authorities if the irregularities pointed out by the inspecting officials of the concerned authority is not rectified within the time allowed by them and in extreme cases, it may result in the interruption of all or some of our operations and may have a material adverse effect on our business, financial condition, results and cash flow and could also adversely affect our financial performance and reputation.

**57. *Our inability to attract and retain talented professionals may negatively affect our results of operation and financial position.***

Attracting and retaining talented professionals is a key element to our growth strategy. Our remuneration schemes are guided by industry level negotiations between bank management represented by the Indian Banks' Association ("IBA"), and officers/workmen represented by their respective unions. In addition to such remuneration, we also offer our employees certain incentive such as bonus payments, as may be approved by our Board. Our remuneration scheme is in accordance with industry level settlement formulated by the IBA following negotiation with various unions or associations. The remuneration prevalent in the public sector banks are similar except for perks which is determined by individual banks.

If the banking industry increasingly moves toward incentive-based pay schemes, attrition rates could increase and we could be forced to alter our remuneration scheme. The resultant pressures may result in diminished profitability, especially if rates of return do not experience a commensurate rise. An inability to attract and retain such talented professionals or the resignation or loss of such professionals may have an adverse impact on our business, future financial performance and trading price of Equity Shares. In addition, we may experience difficulties in managing our expanding workforce.

**58. *India's existing credit information infrastructure may cause increased risks of loan defaults. We depend on the accuracy and completeness of information furnished by the customers and counterparties and any misrepresentation, errors or incompleteness of such information could cause our business to suffer.***

Our principal business is providing financing to borrowers, including individuals, SMEs and MSMEs. The credit risk of our borrowers may be higher than in other economies due to the higher uncertainty in our regulatory, political and economic environment and the inability of our borrowers to adapt to global technological advancements. Although India has credit information companies, adequate information regarding loan servicing histories, particularly in respect of individuals and small businesses, is limited. In the event that the reports of such credit information companies are not up-to-date, we may not be able to accurately assess the creditworthiness of our borrower which may increase our risk of exposure to default by borrower. Inadequate loan servicing histories for borrowers increase the risk of exposure and may lead to an increase in our NPAs which may adversely affect our business, results of operations and financial condition.

We rely on information furnished by customers and counterparties while determining whether to extend credit or to enter into other transactions with such customers and counterparties. Our financial condition and results of operations could be negatively affected by relying on financial statements that do not comply with generally accepted accounting principles or with other information that is materially misleading. We also rely on credit ratings and bureau scores assigned to our customers. Our financial condition and results of operations could be negatively impacted by such reliance on information that is inaccurate or materially misleading.

Currently, India has four Credit Information Companies ("CICs"): (i) TransUnion CIBIL Limited ("CIBIL"); (ii) CRIF High Mark Credit Information Services Private Limited; (iii) Experian Credit Information Company of India Private Limited; and (iv) Equifax Credit Information Services Private Limited which provide Credit Information Reports. We are a member of all the four CICs. However, these CICs provide the reports on borrower's repayment history only. The difficulties associated with the inability to accurately assess the value of collateral and to enforce rights in respect of collateral, along with the absence of such accurate statistical, corporate and financial information, may decrease the accuracy of our assessments of credit risk, thereby increasing the likelihood of borrower default on our loan and decreasing the likelihood that we would be able to enforce

any security in respect of such a loan or that the relevant collateral will have a value commensurate to such a loan. The absence of reliable information, including audited financial statements, recognised debt rating reports and credit histories relating to our present and prospective corporate borrowers or other customers makes the assessment of credit risk, including the valuation of collateral, more difficult, especially for individuals and small businesses. The availability of accurate and comprehensive credit information on retail customers and small businesses in India is more limited than for larger corporate customers, which reduces our ability to accurately assess the credit risk associated with such lending. As a result, higher credit risk may expose us to greater potential losses, which could adversely affect our business, financial condition and results of operations.

**59. Our retail assets portfolio has experienced significant growth. If we are unable to address credit risk in our retail asset portfolio, then our financial performance may be adversely affected.**

As part of our Bank's business and growth strategy, we will continue to focus on growth in retail banking business (Retail Personal, Agri and SME). Further, our retail credit portfolio increased by 16.30% between March 31, 2023 and March 31, 2024 and further increased by 13.00% as of March 31, 2025.

Set forth below are details of our Bank's retail credit portfolio as of the corresponding periods:

|                                                                         | As of March 31, |           |           |
|-------------------------------------------------------------------------|-----------------|-----------|-----------|
|                                                                         | 2023            | 2024      | 2025      |
| Retail credit portfolio (₹ billion)                                     | 17,970.34       | 20,902.46 | 23,610.28 |
| Total Domestic Advance (₹ billion)                                      | 27,768.02       | 32,284.48 | 36,016.20 |
| Retail credit portfolio, as a percentage of total domestic advances (%) | 64.72           | 64.74     | 65.55     |

The availability of comprehensive credit history reports for new first-time borrowers is limited in India. As a result, we are exposed to higher credit risk in the retail business compared to banks in more developed markets. If our screening process proves to be inadequate, it may experience an increase in impaired loans and it may be required to increase its provision for defaulted loans. This may impact our future financial performance and credit rating and the market price of the Equity Shares. Although India has a credit bureau industry and we review credit history reports whenever they are available from credit bureaus, adequate information regarding loan servicing histories, particularly in respect of individuals and small businesses, is limited. Additionally, the economy in India is largely cash based, making it difficult for us to monitor the credit of our retail customers, who frequently do not maintain formal financial records. Furthermore, retail loans may carry a higher risk for delinquency if there is an increase in unemployment, prolonged recessionary conditions or a sharp rise in interest rates. Further, if we are unable to maintain the quality of our retail loan portfolio as Bank grows its retail business, NPAs may increase, which could adversely affect our business, results of operations and financial condition.

**60. Our insurance coverage may be inadequate to cover claims. If we incur substantial uninsured loss or loss that exceeds our insurance coverage, it could have a material adverse effect on our business, cash flows, results of operations and financial condition.**

While we are covered by a range of insurance that is consistent with industry practice in India to cover risks associated with our business, we cannot assure you that the existing coverage will insure us completely against all risks and losses that may arise in the future. We may not have insurance to cover all of the risks associated with our business, as insurance coverage is either unavailable for certain risks or is prohibitively expensive. In addition, even if such losses are insured, we may be compelled to contribute a substantial deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. In addition, our insurance policies are generally subject to annual renewal, and our ability to renew these policies on similar or otherwise acceptable terms, cannot be assured. If we incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have an adverse effect on our business, cash flows, results of operations and financial condition.

**61. Our contingent liabilities could materially and adversely affect our financial condition and results of operations.**

As of March 31, 2025, our Bank had contingent liabilities amounting to ₹ 26,682.37 billion. The table below sets forth the details of contingent liabilities:

| Particulars                                                    | As of March 31, 2025 |
|----------------------------------------------------------------|----------------------|
|                                                                | (₹ billion)          |
| Claims against our Bank not acknowledged as debts              | 1,176.45             |
| Liability for partly paid investments                          | 20.89                |
| Liability on account on outstanding forward exchange contracts | 14,540.90            |
| Guarantees given on behalf of constituents:                    |                      |
| (a) In India                                                   | 2,190.94             |
| (b) Outside India                                              | 1,012.82             |
| Acceptances, endorsements and other obligations                | 1,578.49             |
| Other items for which the Bank is contingently liable          | 6,161.88             |
| <b>TOTAL</b>                                                   | <b>26,682.37</b>     |

Most of the liabilities have been incurred in the normal course of business. If these contingent liabilities were to fully materialize or materialize at a level higher than we expect, it may materially and adversely impact our business, financial conditions, result of operations and prospects. If we are unable to recover payment from our customers in respect of the commitments that we are called upon to fulfill, our business, financial condition, cash flows, results of operations and prospects may be adversely impacted.

**62. *Any non-compliance with law or unsatisfactory service by the third-party service providers engaged by us for certain services could have an adverse impact on our business and results of operations.***

We enter into outsourcing arrangements with third parties in compliance with the RBI guidelines on outsourcing. These third parties provide various services including, among others, ATM, card related services, business correspondents, facility management services related to information technology, software services and call center services. We outsource several services through our customer care center, such as our call center, doorstep banking, etc. During Fiscal 2023, 2024 and 2025, there have been no material failures by third parties in performing their contractual obligations of these services. We are also dependent on various vendors for certain non-core elements of our operations including implementing IT infrastructure and hardware, branch roll-outs, networking, managing our data center, and back-up support for disaster recovery.

As a result of outsourcing such services, we are exposed to various risks including strategic, compliance, operational, legal and contractual risks. Any failure by a service provider to provide a specified service or a breach in security/ confidentiality or non-compliance with legal and regulatory requirements, may result in financial loss or loss of reputation. We cannot assure you that there will be no disruptions in the provision of such services or that these third parties will adhere to their contractual obligation. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreement with us, our business, financial condition and results of operations will be adversely affected. In case of any dispute, we cannot assure you that the terms of such agreements will not be breached, which may result in litigation costs. Such additional cost, in addition to the cost of entering into agreements with third parties in the same industry, may materially and adversely affect our business, financial condition and results of operations. The “Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by Bank” issued by the RBI places obligations on banks, its directors and senior management for ultimate responsibility for the outsourced activity. Banks are required to provide prior approval for use of subcontractors by outsourced vendor and to review the subcontracting arrangements and ensure that such arrangements are compliant with aforementioned RBI guidelines. Legal risks, including actions being undertaken by the RBI, if our third-party service providers act unethically or unlawfully, could adversely affect our business, financial condition and results of operations.

**63. *We face security risks, including denial of service attacks, hacking, social engineering attacks targeting our colleagues and customers, malware intrusion or data corruption attempts, and identity theft that could result in the disclosure of confidential information, adversely affect our business or reputation, and create significant legal and financial exposure.***

Our businesses rely on our secure processing, transmission, storage and retrieval of confidential, proprietary and other information in our computer and data management systems and networks and in the computer and data management systems and networks of third parties. Given our reliance and focus on technology and presence in diverse geographies, our technologies, systems, networks, and our customers’ devices are subject to security risks and are susceptible to cyber-attacks (such as, denial of service attacks, hacking, terrorist activities or identity theft) that could negatively impact the confidentiality, integrity or availability of data pertaining to us or our customers, which in turn may cause direct loss of money to our customers or to us, damage to our reputation and adversely impact our business and financial results. Third parties with which we do business or that facilitate our business activities could also be sources of operational and information security risk to us, including from breakdowns or failures of their own systems or capacity constraints.

We, our customers, regulators and other third parties, including other financial services institutions and companies engaged in data processing, have been subject to, and are likely to continue to be the target of, cyberattacks. These cyber-attacks include computer viruses, malicious or destructive code, phishing attacks, denial of service or information, ransomware, improper access by employees or vendors, attacks on personal email of employees, ransom demands to not expose security vulnerabilities in our systems or the systems of third parties or other security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information of ours, our employees, our customers or of third parties, damage our systems or otherwise materially disrupt our or our customers’ or other third parties’ network access or business operations. As cyber threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities. There have been no security breaches, hacking or other successful cyberattacks in preceding financial year. The cyber incidents are required to be reported to RBI as per their regulatory guidelines. Further, we also receive threat intel and advisories from NCIIPC, GroupIB, CSITE, Cert-In and other regulatory bodies which are promptly acted upon.

Any third-party technology failure, cyber-attack or other information or security breach, termination or constraint could, among other things, adversely affect our ability to effect transactions, service our clients, manage our exposure to risk or expand our business. Cyber-attacks or other information or security breaches, whether directed at us or third parties, may result in a material

loss or have material consequences. Furthermore, the public perception that a cyber-attack on our systems has been successful, whether or not this perception is correct, may damage our reputation with customers and third parties with whom we do business. A successful penetration or circumvention of system security could cause us serious negative consequences, including our loss of customers and business opportunities, costs associated with maintaining business relationships after an attack or breach; significant business disruption to our operations and business, misappropriation, exposure, or destruction of our confidential information, intellectual property, funds, and/or those of our customers; or damage to our computers or systems, and could result in a violation of applicable privacy laws and other laws, litigation exposure, regulatory fines, penalties or intervention, loss of confidence in our security measures, reputational damage, reimbursement or other compensatory costs, additional compliance costs, and could adversely impact our results of operations, liquidity and financial condition.

***64. We are exposed to risks associated with exposure to the Reserve Bank of India's Prompt Corrective Action framework. Triggering any risk threshold under this framework may materially and adversely affect our business, financial performance and results of operations.***

On November 2, 2021, the RBI revised the Prompt Corrective Action (“PCA”) framework for banks. When the PCA framework is triggered, RBI has a range of discretionary actions it can take in addition to the corrective actions mentioned in the PCA. These discretionary actions include conducting supervisory meetings, conducting reviews, advising banks’ boards for altering business strategy, review of capital planning, restricting staff expansion, removing of managerial persons and superseding the Board, as per the classification of different risk threshold. If we trigger any risk threshold under the PCA framework, it could materially and adversely affect our business, future financial performance and results of operations.

***65. As the GoI is the majority shareholder of our issued share capital, its decisions, including on matters of public policy, may impact our strategy and operations.***

The GoI holds a majority of our Bank’s issued share capital. As of March 31, 2025, the GoI directly held 56.92% of our Bank’s issued and paid up share capital. Historically we have enjoyed autonomy from the Government of India (GoI) in the management of our affairs and strategic direction. Further, the Chairman, Managing Directors and certain Non-Executive Directors are appointed by the Government of India. Although our management runs the day-to-day operations, the Government of India may determine material policies and implement such policies or schemes, as a majority Shareholder, without the consent of the other Shareholders, as well as determine the outcome of any transaction or other matter submitted to Shareholders for approval, except for those matters requiring a special resolution of the Shareholders. Further, except under Section 19(c) of the SBI Act, directors can only be appointed to our Central Board by the GoI. Accordingly, any vacancies that may arise on our Central Board may only be filled by the GoI, which may affect our ability to fill such vacancies in a timely manner. For instance, as on the date of this Placement Document, to comply with the requirements under Regulation 17(1)(b) of the SEBI Listing Regulations, we require the appointment of additional Independent Directors, and as a result, we may be subject to penalties or other actions by the Stock Exchanges.

The SBI Act mandates that the GoI’s shareholding in our Bank cannot fall below 51.00%. This requirement could result in restrictions in our equity capital raising efforts as the GoI may not be able to fund any further investments that would allow it simultaneously to maintain its stake at a minimum of 51.00%. As the Indian economy grows, more businesses and individuals will require capital financing. In order to meet and sustain increasing levels of growth in capital demand, we will need to accrete our capital base, whether through organic growth or capital market financing schemes. If we are unable to grow our capital base in step with demand, our business, financial prospects and profitability may be materially and adversely affected. Further, the approval issued by the Department of Financial Services, Ministry of Finance, Government of India to our Bank dated June 20, 2025 in relation to the Issue, requires us to raise capital in such a way that GoI’s shareholding does not fall below 52%.

***66. Significant security breaches of our systems and network infrastructure could adversely impact our business.***

We seek to protect our computer systems and network infrastructure including ATMs from physical break-ins as well as security breaches and other disruptive problems caused by our increased use of the internet. Computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and network infrastructure. There may be areas in the system that have not been properly protected from security breaches and other attacks. We employ security systems, including advance threat defense systems, sophisticated threat management systems and password encryption, designed to minimize the risk of security breaches. Although we intend to continue to implement security technology and establish operational procedures to prevent break-ins, damage and failures, there can be no assurance that these security measures will be adequate or successful.

Failed security measures or failure to adhere with the cyber security policy under the Cyber Security Framework issued by the RBI or inadequate focus in addressing major issues such as those relating to implementation of risk management system, increase in reported frauds, absence of straight through processing in critical systems and their integration with CBS, inadequate collateral management and delayed compliance in implementing the observations of the risk assessment reports, could have a material adverse effect on our business and operations, our future financial performance and the trading price of the Equity Shares. We have ensured to put in place all the necessary control measures as required by the RBI. Our audit department conducts annual audit of the same by external auditors to adhere with the Cyber Security Framework issued by the RBI. Further,

our business operations are based on a high volume of transactions. Although we take measures to safeguard against systems related and other fraud and have been compliant with the Cyber Security Framework as per regular internal and external information security audits, there can be no assurance that we will be able to prevent fraud. Our reputation could be adversely affected by significant fraud committed by employees, customers or outsiders.

While compliance checks are regularly reported to top executives and committees, and we are fully committed to protecting its IT infrastructure from all types of external and internal threats, we cannot guarantee that there could be no potential breaches. While our prompt response to threat intelligence received from various platforms and our collaboration with external regulatory agencies have kept us compliant with the cyber security regulations, there remains a risk that such breaches could affect our business operations.

***67. Our intellectual property rights may be subject to infringement or we may breach third party intellectual property rights.***

We have established a strong brand, “SBI” which is registered under various classes of the Trademarks Act, 1999, as amended, as well as under the (Indian) Copyright Act, 1957, as amended. We have also applied for certain intellectual property registrations. We are subject to the risk of brand dilution and consequently, loss of revenue in case of any misuse of our brand name by our agents or any third party. As such, any damage to our reputation or that of the “SBI” brand name, could substantially impair our ability to maintain or grow our business, or materially and adversely affect our business, financial condition, results of operation and prospects. If we fail to maintain this brand recognition with our target customers due to any issues with our product offerings, a deterioration in service quality, or otherwise, or if any premium in value attributed to our business or to the brands under which our services are provided declines, market perception and customer acceptance of our brands may also decline. We also enter into partnerships with external organizations over which we have limited control. Any negative news affecting such external organizations might also affect our reputation and brand value. In such an event, we may not be able to compete for customers effectively, and our business, financial condition and growth prospects may be materially and adversely affected.

In addition, we cannot guarantee that there shall be no infringement and unauthorized use of our intellectual property by third parties, including by our competitors. We may also be subject to claims brought by third parties, regarding alleged unauthorized use of their trademark or perceived breach of any intellectual property rights registered by such third parties. Any legal proceedings pursuant to such claims may divert management attention and require us to pay financial compensation to such third parties, as determined by a court of competent jurisdiction. If we are unable to obtain or maintain these registrations, it may adversely affect our competitive business position. This may affect our brand value and consequently our business, financial condition, results of operations and prospects may be adversely affected.

***68. Increasing regulatory focus on personal information protection could impact our business and expose us to increased liability.***

Regulators in various jurisdictions are increasingly scrutinizing how companies collect, process, use, store, share and transmit personal data. This increased scrutiny may result in new interpretations of existing laws, thereby further impacting our business. In India, the Digital Personal Data Protection Act, 2023 (“**Data Protection Act**”) has been enacted (although the provisions have not yet been notified) for implementing organisational and technical measures in processing personal data laying down norms for cross-border transfer of personal data to ensure the accountability of entities processing personal data. The Data Protection Act introduced stricter data protection norms for an entity such as ours and may impact our processes. The Data Protection Act is introduced to maintain the highest level of security and protection for all such information regarding our various customer. The Ministry of Electronics and Information Technology has drafted the Digital Personal Data Protection Rules, 2025 and placed the same in public for comments. The RBI has also issued a circular dated April 6, 2018 on the procedure of storage of payment systems data to ensure that data relating to payment systems that we operate are stored only in India.

The Bank adheres to global information security best practices, including ISO 27001 for Information Security Management System (ISMS), ISO 22301 for Business Continuity Management System (BCMS), and PCI DSS for card information processing units, which demonstrates our compliance to primary regulations and provide confidence to stakeholders and customers and also in defining clear roles and responsibilities, we cannot assure you that we will be able to continue to be compliant with evolving regulatory norms on personal information protection. Any failure, or perceived failure, by us to comply with any applicable regulatory requirements, including but not limited to privacy, data protection, information security, or consumer protection-related privacy laws and regulations, could result in proceedings or actions against us by governmental entities or individuals who may subject us to fines, penalties, and/ or judgments which may adversely affect our business and reputation.

***69. We may not be successful in implementing its growth strategies or penetrating new markets.***

Our strategies may ultimately fail to contribute to our growth or profitability and may ultimately be unsuccessful. Even if such strategies are partially successful, we cannot assure you that it will be able to manage its growth effectively or fully deliver on its growth objectives. For further information, see “*Our Business – Strategies*” on page 147.

Challenges that may result from our growth strategies include our ability to, among other things:

- manage efficiently the operations and employees of its expanding businesses;
- maintain or grow its existing customer base;
- develop the technology and infrastructure necessary for the digital platforms and offerings necessary to compete effectively;
- assess the value, strengths and weaknesses of future investments;
- finance strategic investments;
- align the current information technology systems adequately with those of a larger group;
- apply risk management policy effectively to a larger group;
- hire and train additional skilled personnel;
- manage a growing number of branch offices without over-committing management or losing key personnel, and
- each of which would have a potential adverse effect on our business and results of operations.

We may not be able to effectively manage this growth or achieve the desired profitability in the expected time frame, if at all, or the expected improvement in indicators of financial performance from the expansion. In addition, we also may fail to develop or retain the technical expertise required to operate and develop these new digital solutions. To the extent that we fail to meet required targets, develop and launch new products or services successfully, it may lose any or all of the investments that it has made in promoting them, and our reputation with its customers could be harmed. Moreover, if our competitors are better able to anticipate the needs of individuals in its target market, we could lose market share and our business, results of operations and financial condition could be adversely affected.

***70. Statistical and industry data in this Placement Document has been obtained from various government and industry publications and there can be no assurance regarding the accuracy and completeness of such information.***

Statistical and industry data used throughout this Placement Document has been obtained from various government and industry publications. While we believe that the information contained has been obtained from sources that are reliable, neither we nor the Book Running Lead Managers have independently verified it and the accuracy and completeness of this information is not guaranteed and its reliability cannot be assured. The market and industry data used from these sources may have been reclassified by us for purposes of presentation. In addition, market and industry data relating to India, its economy or its industries may be produced on different bases from those used in other countries. As a result, data from other market sources may not be comparable. The extent to which the market and industry data presented in this Placement Document is meaningful will depend upon the reader's familiarity with and understanding of the methodologies used in compiling such data. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Placement Document. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based on such information.

***71. We and our customers may engage in certain transactions in or with countries or persons that are subject to international economic sanctions.***

Various international jurisdictions, including the United States and the United Kingdom, restrict investments or otherwise doing business in or with certain countries or territories and with certain persons or businesses that have been specially designated by such government agencies. Other governments and international or regional organizations also administer similar economic sanctions. Through our foreign branches and our international operations, we may provide various services to customers doing business with, or located in, countries to which certain economic sanctions apply. The Bank provides transfer, settlement and other services to customers doing business with, or located in, countries to which certain Office of Foreign Assets Control (OFAC)-administered and other sanctions apply, such as Iran. Further, as of the date of this Placement Document, our Bank operates a representative office in Iran and a subsidiary in Russia (outside the Crimea region). Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, and we have not been notified that any penalties or other measures will be imposed on us, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. There can be no assurance that our future business will be free of risk under sanctions implemented by these jurisdictions or that we will be able to conform our business operations to the expectations and requirements of such international regulatory agencies that do not have jurisdiction over our business but nevertheless assert the right to impose sanctions on an extraterritorial basis. Further, investors in the Equity Shares could incur reputational or other risks as a result of our or our customers' dealings in or with sanctioned countries or with persons that are the subject of such sanctions.

***72. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.***

We intend to use the Net Proceeds for the purposes described in "Use of Proceeds" on page 74 of this Placement Document towards augmentation of Bank's Tier-I capital base to meet Bank's future capital requirements and to support growth plans and to enhance our business. As on the date of this Placement Document, our funding requirements are based on management estimates based on historical data and have not been appraised by any bank or financial institution. They are based on current



conditions and are subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies. While we will use the Net Proceeds towards augmenting the Bank's Tier I Capital to meet the Bank's future capital requirements and to support growth plans and to enhance the business of the Bank or any other purposes in the manner specified in "Use of Proceeds" on page 74, the amount of Net Proceeds to be actually used will be based on our management's discretion. However, the deployment of the Net Proceeds will not be monitored by any monitoring agency as the Bank in terms of the proviso to Regulation 173A(1) of the SEBI ICDR Regulations, is not required to appoint a monitoring agency for this Issue. Our internal management estimates may exceed fair market value or the value that would have been determined by third-party appraisals, which may require us to reschedule or reallocate our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and the results of operations.

**73. *There can be no assurance that the Bank will not be a passive foreign investment company ("PFIC"), which could result in adverse U.S. federal income tax consequences to U.S. investors in the Equity Shares.***

A non-U.S. corporation will be a passive foreign investment company ("PFIC") in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules", either (i) at least 75 per cent. of its gross income is "passive income" or (ii) at least 50 per cent. of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. For these purposes, "passive income" generally includes interest, dividends, rents, royalties and gains from non-dealer securities transactions.

Although interest income is generally treated as passive income, under proposed Treasury regulations that taxpayers may currently rely on, gross income derived in the active conduct of certain banking activities is treated as non-passive income provided that certain requirements are satisfied. Based on such proposed regulations, the Bank's current and projected composition of income and assets, and the manner in which the Bank operates its business, the Bank does not believe that it was a PFIC in its most recent taxable year and does not expect to be a PFIC for its current taxable year. However, the Bank's possible status as a PFIC must be determined annually after the close of each taxable year, and the composition of its income and assets will vary over time. Moreover, there is no assurance that the proposed regulations will be finalized in their current form, and the proper application of the PFIC rules (including the proposed regulations) is subject to certain uncertainties. Accordingly, there can be no assurance that the Bank will not be a PFIC for any taxable year. Certain adverse U.S. federal income tax consequences could apply to a U.S. investor if the Bank is treated as a PFIC for any taxable year during which such U.S. investor holds Equity Shares, including increased taxes on disposition gains and distributions as well as additional reporting requirements. Prospective U.S. investors should consult their tax advisors regarding the potential application of the PFIC rules to their investment in the Equity Shares. For further discussion, see "Certain United States Federal Income Tax Considerations — Passive Foreign Investment Company" on page 254.

## **RISKS RELATING TO DOING BUSINESS IN INDIA**

**67. *Any downturn in the macroeconomic environment in India and the global environment, including political and economic terms with foreign countries, may adversely affect our business, financial condition, results of operations and cash flows.***

The majority of our business, assets and employees are located in India, so our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Therefore, any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operations and cash flows. The Indian economy faces potential adverse impacts from a range of factors, including pandemics, epidemics, political and regulatory shifts, social unrest, religious or communal tensions, terrorist attacks, violence or conflicts like those in the Russia-Ukraine hostilities, or the Israel-Hamas conflict.

Despite geopolitical tensions, Indian and global stock markets have so far managed to stay stable. However, investors are closely monitoring the situation, including the recent tariffs imposed by United States of America on various countries. Traders are concerned about potential disruptions to crude oil supplies from the middle east, which is the world's largest oil-producing region. For instance, if Iran escalates tensions, especially by using more destructive weapons or if other nations become involved, it could exacerbate concerns about disruptions in crude oil supplies. This situation could also impact banks, as financial institutions may face increased volatility and risk in the oil markets. Banks with significant exposure to oil and energy sectors might experience financial strain or market losses due to fluctuating oil prices and heightened geopolitical risks.

**68. High rates of inflation in India could have an adverse effect on our results of operations.**

India has, in the past, experienced sustained periods of high inflation. A return to high rates of inflation with a resulting rise in interest rates and any corresponding tightening of monetary policy may have an adverse effect on economic growth in India. Although the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. In addition, high rates of inflation could increase our expenses related to salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our results of operations.

**69. The occurrence of natural or man-made disasters, terrorist attacks, civil unrest or rioting in India and other acts of violence or war could adversely affect our business, financial condition, results of operations and cash flows and could create a perception that investment in Indian companies involves a higher degree of risk, thereby adversely affecting the market price of the Equity Shares.**

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, fires, explosions, pandemics (such as COVID-19) and epidemics, and man-made disasters, including acts of terrorism, other acts of violence and war, could adversely affect our business, financial condition, results of operations and cash flows. In addition, terrorist attacks and other acts of violence or war as well as civil unrest or rioting in India could create a perception that investment in Indian companies involves a higher degree of risk, thereby adversely affecting the market price of the Equity Shares.

The Indian stock market may experience significant volatility, influenced by macroeconomic indicators, global developments, central bank policies, and news flow in general. Investor behavior, which involves buying during price drops and selling to lock in profits during price increases, can exacerbate this perception. Additionally, global tensions such as the ongoing Russo-Ukrainian conflict and disturbances in the middle east along with other economic uncertainties may contribute to heightened volatility and the impression of increased market risk.

**73. Political instability or changes in the Government could adversely affect economic conditions in India and by consequence, our business.**

Political instability or changes in government can significantly impact India's economic conditions in several ways:

- **Investment Climate:** Uncertainty about the political future can deter both domestic and foreign investors. Businesses may delay or cancel investments due to concerns over policy changes, regulatory shifts, or potential disruptions in governance. This can slow down economic growth and development.
- **Policy Continuity:** Frequent changes in government or political instability can lead to inconsistent or unpredictable economic policies. This lack of continuity can affect long-term planning and decision-making for businesses and investors, leading to decreased economic confidence and slower economic activity.
- **Economic Reforms:** Political instability might hinder the implementation of crucial economic reforms. Reform agendas may be stalled or reversed due to shifting political priorities, affecting the overall economic development and competitiveness of the country.
- **Market Sentiment:** Political uncertainty can lead to volatile financial markets. Investors may react negatively to political turmoil, causing fluctuations in stock prices, currency value, and bond yields. This volatility can further impact economic stability and investor confidence.
- **Public Spending:** Political instability can disrupt government spending and fiscal policies. Budget approvals might be delayed, or spending priorities might shift, affecting public infrastructure projects, social programs, and overall economic activity.

Consequently, the banking sector, heavily reliant on economic stability for asset quality, loan demand, and credit risk management, may face increased non-performing assets, reduced profitability, and heightened operational challenges, thereby affecting its overall business performance and stability.

**75. Any downgrade in India's sovereign debt rating by international rating agencies could adversely impact our ability to raise additional foreign currency financing, interest rates and other commercial terms at which such financing is available.**

Banks' foreign currency debt ratings are tied to India's sovereign debt rating, meaning any downgrade in India's international debt credit rating also affects our ratings. The ability to secure additional foreign currency financing, along with the interest rates and other commercial terms for such financing, could be negatively impacted by any downgrade in the assessments of India's sovereign debt by international rating agencies. This could significantly harm our operations, cash flows and financial condition.

**76. *It may not be possible for investors to enforce any judgment obtained outside India against us or any of our Directors and Senior Management in India respectively, except by way of a lawsuit in India.***

The enforcement of civil liabilities by overseas investors in the Equity Shares, including the ability to effect service of process and to enforce judgments obtained in courts outside of India, may be adversely affected by the fact that we are incorporated under the laws of the Republic of India. Nearly all of our assets and the assets of our Directors and Senior Management are also located in India. As a result, it may be difficult to enforce the service of process upon us and any of these persons in jurisdictions outside of India, or to enforce judgments obtained against us and these persons in courts outside of India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes, among others, the United Kingdom, Singapore, United Arab Emirates, and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Civil Code. See “*Enforcement of Civil Liabilities*” on page 18 for further information.

**77. *There may be less information available about the companies listed on stock exchanges in India compared with information that would be available if we were listed on securities markets in certain other countries.***

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants in India and that in the markets in the United States of America and certain other countries. SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about companies listed on an Indian stock exchange compared with information that would be available if that company were listed on a securities market in certain other countries. As a result, investors may have access to less information about the business, results of operations, cash flows and financial conditions, information on business responsibility and sustainability reporting and those of the competitors that are listed on BSE, NSE, and other stock exchanges in India on an ongoing basis than investors may find in the case of companies’ subject to reporting requirements of other countries.

**78. *Our ability to borrow in foreign currencies is restricted by Indian law.***

Indian banks and companies are subject to foreign exchange regulations that regulate borrowing in foreign currencies, including those specified under the FEMA. Such regulatory restrictions limit our ability to borrow in foreign currencies and, therefore, could negatively affect our ability to obtain financing on competitive terms. In addition, we cannot guarantee that any required approvals for borrowing in foreign currency will be granted to us without onerous conditions, if at all. Such, and other, limitations on raising foreign capital may adversely affect our business, results of operations, financial condition and cash flows.

**RISKS RELATING TO THE EQUITY SHARES AND THE ISSUE**

**79. *Any future issuance of Equity Shares could dilute the holdings of investors and could adversely affect the market price of the Equity Shares.***

The Bank may be required to finance our future growth through additional equity offerings. Any future issuance of Equity Shares could dilute the investors’ holdings and could adversely affect the market price of the Equity Shares. In addition, any future issuances of Equity Shares, sales by any significant Shareholder or a perception in the market that such issuance or sale may occur, could adversely affect the trading price of the Equity Shares. Such securities may also be issued at a price below the then current trading price of the Equity Shares. Further, The SBI Act mandates that the GoI’s shareholding in our Bank cannot fall below 51.00%.

**80. *Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.***

Indian securities markets are less developed and more volatile than securities markets in certain other economies, especially countries that are members of the Organization for Economic Cooperation and Development. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Indian stock exchanges have also experienced problems such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the United States. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies, the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

The Indian stock markets are influenced by economic developments and volatility in securities markets in other countries. Investors’ reactions to developments in one country may have adverse effects on the market price of securities of companies

located in other countries, including India. Negative economic developments in other emerging market countries, such as rising fiscal or trade deficits, or a default on national debt, may negatively affect investors' confidence in India, or may cause increased volatility in Indian stock markets and cause the price of the Equity Shares to decline.

**81. *After this Issue, the price of the Equity Shares may be volatile and the Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

Our Bank, in consultation with the Book Running Lead Managers, has determined the Issue Price, which is above the Floor Price. The Issue Price may not necessarily be indicative of the market price of the Equity Shares after this Issue is completed. The price at which the Equity Shares will trade at after the Issue will be determined by the marketplace and may be influenced by many factors, including:

- volatility in the Indian and global securities markets or prospects for our business and the sectors in which we compete;
- our financial condition, results of operations and cash flows;
- the history of and prospects for our business;
- an assessment of our management, our past and present operations and the prospects for, as well as timing of, our future revenues and cost structures;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial condition, including our results of operations and financial estimates by research analysts and investors;
- a change in research analysts' recommendations
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;
- changes in interest rates;
- fluctuations in stock market prices and volume; and
- general economic conditions.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our financial condition, results of operations and cash flows. We cannot assure prospective investors that they will be able to resell their Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to the Issue.

**82. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a Shareholder's ability to sell, or the price at which a Shareholder can sell, the Equity Shares at a particular point in time.***

The Equity Shares are subject to a daily scrip-based price band imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This price band operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the price band applicable to the Equity Shares is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges may change the percentage limit of the scrip-based price band from time to time. This price band would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of Shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares.

**83. *Investors' ability to acquire and sell the Equity Shares offered in this Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Placement Document. Investors will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of the allotment of the Equity Shares.***

Only QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are (a) not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) not prohibited or debarred by any regulatory authority from buying, selling or dealing in securities or restricted from participating in this Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws, (c) eligible to invest in this Issue. Further, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and, unless so registered, may not be offered, sold or delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are qualified institutional buyers (as defined in Regulation 144A under the

U.S. Securities Act) (“**U.S. QIBs**”) pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act, for avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Placement Document as “QIBs”, and (b) outside the United States, in “offshore transactions”, as defined in and in reliance on Regulation S under the U.S. Securities Act (“**Regulation S**”) and the applicable laws of the jurisdictions where those offers and sales are made.

As such, investors’ ability to acquire Equity Shares offered in this Issue is restricted by the distribution and solicitation restrictions set forth in this Placement Document. For further information, see “*Selling Restrictions*” on page 224. Further, the Equity Shares offered in this Issue are subject to restrictions on transferability and resale pursuant to the SEBI Regulations, including that investors will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of the allotment of the Equity Shares. Further, allotments made to certain categories of eligible QIBs in this Issue are subject to the rules and regulations applicable to them, including certain lock-in requirements. For further information, see “*Transfer Restrictions*” on page 233. Investors are required to inform themselves on, and observe, these restrictions. Neither our Bank nor our representatives or agents will be obligated to recognize any acquisition, transfer or resale of the Equity Shares offered in this Issue made other than in compliance with applicable law.

**84. *A third party could be prevented from acquiring control over the Bank because of anti-takeover provisions under Indian law and the provisions of the Banking Regulation Act.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in the control of the Bank. These provisions may discourage or prevent certain types of transactions involving actual or threatened change in the control of the Bank. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that the interests of investors/ Shareholders are protected, these provisions may also discourage a third party from attempting to take control of the Bank. Further, given that the Bank is governed by the RBI, any significant change in shareholding would require the RBI’s prior approval. Consequently, even if a potential takeover of the Bank would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of the regulatory framework applicable to the Bank.

**85. *Investors may be subject to Indian taxes arising out of capital gains on sales of Equity Shares.***

Under current Indian tax laws, capital gains arising from the sale of equity shares in an Indian company or bank are generally taxable in India. The STT is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemptions. Accordingly, investors may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of the Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of Equity Shares.

**86. *Foreign investors are subject to certain restrictions under Indian law in relation to transfer of Shareholding that may limit our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the valuation and reporting requirements specified under applicable law. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions, then prior approval of the relevant regulatory authority is required. Additionally, Shareholders who seek to convert rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and is subject to either the security having been sold in compliance with the pricing guidelines or the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. The Bank cannot guarantee that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020, which came into effect from April 22, 2020, investments where the beneficial owner of the Equity Shares is situated in, or is a citizen of, a country which shares one or more land border(s) with India, can only be made through the Government approval route, as prescribed in the FDI Policy (effective October 15, 2020). These

investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot guarantee that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, if at all. Our ability to raise foreign capital is therefore constrained by Indian law, which may adversely affect our business, financial condition, results of operations and prospects.

**87. *Rights of Shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities and Shareholders' rights may differ from those that would apply to a bank in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as Shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as Shareholder in an Indian bank than as Shareholder of a corporation in another jurisdiction.

**88. *The individual investment limit and aggregate foreign investment limit for registered FPIs in the Bank is currently 10.00% and 20.00%, respectively, of the total paid-up equity share capital of the Bank.***

Foreign investment in India is governed by the provisions of FEMA along with the rules, regulations and notifications made by the RBI thereunder, and the Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, from time to time. Under the current FDI Policy, investment in public sector banks up to 20.00% is permitted under the government approval route. In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI including its investor group (which means the same multiple entities registered as foreign portfolio investors having common ownership directly or indirectly of more than 50.00% or common control) must be below 10.00% of the Bank's post-Issue paid-up equity share capital on a fully diluted basis. Further, in terms of the FEMA Rules, the total holding by each FPI, or an investor group, shall be below 10.00% of the total paid-up equity share capital, on a fully diluted basis, of the Bank, and the total holdings of all FPIs put together can be up to 20.00% of the paid-up equity share capital of the Bank, which is the sectoral cap applicable to the Bank.

As per the SEBI FPI Regulations and the relevant circulars issued thereunder, the above investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Notes. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments in the Bank. See "Offshore Derivative Instruments" on page 10.

**89. *Fluctuations in the exchange rate between the rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our operating results.***

The Equity Shares are quoted in rupees on the Stock Exchanges. Any dividends in respect to the Equity Shares will be paid in rupees. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividends to investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rates between the rupee and other currencies (including the U.S. dollar, the Euro, the pound sterling, the Hong Kong dollar and the Singapore dollar) have changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of the Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our operating result.

**90. *Bidders were not allowed to withdraw their Bids or revise their Bids downwards after the Bid/Issue Closing Date.***

In terms of the SEBI ICDR Regulations, Bidders were not allowed to withdraw their Bids or revise their Bids downwards in terms of quantity of Equity Shares or the Bid Amount after the Bid/Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to an Allottees' demat account with the depository participant could take approximately seven days and up to 10 days from the Bid/Issue Closing Date. However, there is no assurance that material, adverse changes in the international or national monetary, financial, political or economic conditions—or other events in the nature of force majeure, material, adverse changes in our business, results of operation or financial condition, or other events affecting the Bidder's decision to invest in the Equity Shares—would not arise between the Bid/Issue Closing Date and the date of the Allotment of Equity Shares in the Issue. The occurrence of any such events after the Bid/Issue Closing Date could also adversely impact the market price of the Equity Shares. Bidders did not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. The Bank may complete the Allotment of the Equity Shares even if such events may limit the Allottees' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

**91. *Investors will be subject to market risks until the Equity Shares credited to their demat accounts are listed and permitted to be traded.***

Investors can start trading the Equity Shares allotted to them in the Issue only after they have been credited to an investor's demat account, are listed and are permitted to be traded. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account, or that trading in the Equity Shares will commence in a timely manner.

## MARKET PRICE INFORMATION

As of the date of this Placement Document, 8,925,405,164 Equity shares of ₹ 1 each are issued by our Bank of which 8,924,620,034 Equity shares of ₹1 each are subscribed and fully paid up and 785,130 Equity Shares are held in abeyance.

On July 18, 2025, the closing price of Equity Shares on BSE and NSE was ₹823.30 and ₹823.35 per Equity Share, respectively. Since the Equity Shares are traded on BSE and NSE, the market price and other information for BSE and NSE has been given separately.

- (i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on BSE and NSE on the dates on which such high and low prices were recorded for Financial Year 2025, 2024 and 2023:

### BSE

| Financial Year ended | High (₹) | Date of high <sup>(1)</sup> | Number of Equity Shares traded on the date of high | Total turnover of Equity shares traded on the date of high (₹ billion) | Low (₹) | Date of low <sup>(1)</sup> | Number of Equity Shares traded on the date of low | Total turnover of Equity Shares traded on the date of low (₹ billion) | Average price for the year (₹) <sup>(2)</sup> |
|----------------------|----------|-----------------------------|----------------------------------------------------|------------------------------------------------------------------------|---------|----------------------------|---------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------|
| 2025                 | 905.80   | June 3, 2024                | 3,819,398                                          | 3.41                                                                   | 688.25  | February 28, 2025          | 953,162                                           | 0.66                                                                  | 801.29                                        |
| 2024                 | 788.15   | March 7, 2024               | 773,604                                            | 0.61                                                                   | 522.80  | April 5, 2023              | 302,349                                           | 0.16                                                                  | 611.82                                        |
| 2023                 | 625.55   | December 14, 2022           | 657,396                                            | 0.41                                                                   | 434.25  | June 20, 2022              | 661,319                                           | 0.29                                                                  | 534.71                                        |

(Source: www.bseindia.com)

#### Notes:

- (1) High and low prices in the above tables are of the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.  
(2) Average price for the year represents the average of daily closing prices on each day of each year

### NSE

| Financial Year ended | High (₹) | Date of high <sup>(1)</sup> | Number of Equity Shares traded on the date of high | Total turnover of Equity shares traded on the date of high (₹ billion) | Low (₹) | Date of low <sup>(1)</sup> | Number of Equity Shares traded on the date of low | Total turnover of Equity Shares traded on the date of low (₹ billion) | Average price for the year (₹) <sup>(2)</sup> |
|----------------------|----------|-----------------------------|----------------------------------------------------|------------------------------------------------------------------------|---------|----------------------------|---------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------|
| 2025                 | 905.65   | June 3, 2024                | 64,269,020                                         | 57.21                                                                  | 688.80  | February 28, 2025          | 15,780,609                                        | 10.89                                                                 | 801.31                                        |
| 2024                 | 788.05   | March 7, 2024               | 15,497,868                                         | 12.22                                                                  | 523.00  | April 5, 2023              | 13,574,801                                        | 7.09                                                                  | 611.84                                        |
| 2023                 | 625.50   | December 14, 2022           | 14,010,673                                         | 8.74                                                                   | 434.70  | June 20, 2022              | 12,368,534                                        | 5.40                                                                  | 534.74                                        |

(Source: www.nseindia.com)

#### Notes:

- (1) High and low prices in the above tables are of the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.  
(2) Average price for the year represents the average of daily closing prices



- (ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on BSE and NSE on the dates on which such high and low prices were recorded during each of the last six months:

#### BSE

| Month ended       | High (₹) | Date of high <sup>(1)</sup> | Number of Equity Shares traded on the date of high | Total turnover of Equity shares traded on the date of high (₹ billion) | Low (₹) | Date of low <sup>(1)</sup> | Number of Equity Shares traded on the date of low | Total turnover of Equity shares traded on the date of low (₹ billion) | Average price for the month (₹) <sup>(1)</sup> |
|-------------------|----------|-----------------------------|----------------------------------------------------|------------------------------------------------------------------------|---------|----------------------------|---------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------|
| June 30, 2025     | 820.35   | June 30, 2025               | 478,069                                            | 0.39                                                                   | 784.70  | June 19, 2025              | 235,832                                           | 0.19                                                                  | 803.07                                         |
| May 31, 2025      | 812.40   | May 30, 2025                | 510,858                                            | 0.41                                                                   | 768.75  | May 8, 2025                | 463,248                                           | 0.36                                                                  | 791.88                                         |
| April 30, 2025    | 822.45   | April 22, 2025              | 663,396                                            | 0.55                                                                   | 742.05  | April 9, 2025              | 467,660                                           | 0.35                                                                  | 785.24                                         |
| March 31, 2025    | 781.40   | March 24, 2025              | 459,986                                            | 0.36                                                                   | 695.15  | March 3, 2025              | 398,676                                           | 0.27                                                                  | 741.26                                         |
| February 28, 2025 | 779.20   | February 4, 2025            | 749,753                                            | 0.58                                                                   | 688.25  | February 28, 2025          | 953,162                                           | 0.66                                                                  | 733.18                                         |
| January 31, 2025  | 801.05   | January 2, 2025             | 711,599                                            | 0.56                                                                   | 729.60  | January 13, 2025           | 300,275                                           | 0.22                                                                  | 763.35                                         |

(Source: www.bseindia.com)

#### Notes:

- (1) High and low prices in the above tables are of the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.  
(2) Average price for the month represents the average of daily closing prices

#### NSE

| Month ended       | High (₹) | Date of high <sup>(1)</sup> | Number of Equity Shares traded on the date of high | Total turnover of Equity shares traded on the date of high (₹ billion) | Low (₹) | Date of low <sup>(1)</sup> | Number of Equity Shares traded on the date of low | Total turnover of Equity shares traded on the date of low (₹ billion) | Average price for the month (₹) <sup>(1)</sup> |
|-------------------|----------|-----------------------------|----------------------------------------------------|------------------------------------------------------------------------|---------|----------------------------|---------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------|
| June 30, 2025     | 820.35   | June 30, 2025               | 19,652,607                                         | 16.05                                                                  | 785.10  | June 19, 2025              | 11,824,333                                        | 9.30                                                                  | 803.14                                         |
| May 31, 2025      | 812.30   | May 30, 2025                | 22,037,314                                         | 17.79                                                                  | 769.00  | May 8, 2025                | 14,491,673                                        | 11.24                                                                 | 791.91                                         |
| April 30, 2025    | 822.40   | April 22, 2025              | 25,117,557                                         | 20.78                                                                  | 742.20  | April 9, 2025              | 11,319,387                                        | 8.50                                                                  | 785.35                                         |
| March 31, 2025    | 780.80   | March 24, 2025              | 12,095,064                                         | 9.34                                                                   | 695.3   | March 3, 2025              | 10,598,479                                        | 7.31                                                                  | 741.33                                         |
| February 28, 2025 | 779.20   | February 4, 2025            | 12,020,807                                         | 9.33                                                                   | 688.80  | February 28, 2025          | 15,780,609                                        | 10.89                                                                 | 733.25                                         |
| January 31, 2025  | 801.20   | January 2, 2025             | 11,398,319                                         | 9.07                                                                   | 729.50  | January 13, 2025           | 10,414,733                                        | 7.64                                                                  | 763.34                                         |

(Source: www.nseindia.com)

#### Notes:

- (1) High and low prices in the above tables are of the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.  
(2) Average price for the month represents the average of daily closing prices

- (iii) The following table set forth the details of the number of Equity Shares traded and the turnover during the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 on the Stock Exchanges:

| Period                    | Number of Equity Shares Traded |               | Turnover (In ₹ billion) |          |
|---------------------------|--------------------------------|---------------|-------------------------|----------|
|                           | BSE                            | NSE           | BSE                     | NSE      |
| Year ended March 31, 2025 | 188,734,654                    | 3,748,632,388 | 152.55                  | 3,022.31 |
| Year ended March 31, 2024 | 181,124,502                    | 4,359,987,923 | 113.06                  | 2,686.07 |
| Year ended March 31, 2023 | 151,386,562                    | 3,422,372,666 | 80.18                   | 1,820.50 |

(Source: www.bseindia.com and www.nseindia.com)

- (iv) The following table set forth the details of the number of Equity Shares traded and the turnover during the six immediately preceding months:

| Period            | Number of Equity Shares Traded |             | Turnover (In ₹ billion) |        |
|-------------------|--------------------------------|-------------|-------------------------|--------|
|                   | BSE                            | NSE         | BSE                     | NSE    |
| June 30, 2025     | 11,378,326                     | 264,836,651 | 9.15                    | 213.22 |
| May 31, 2025      | 11,996,445                     | 276,784,717 | 9.51                    | 219.11 |
| April 30, 2025    | 11,028,720                     | 252,303,713 | 8.70                    | 199.34 |
| March 31, 2025    | 6,903,519                      | 173,621,580 | 5.13                    | 128.96 |
| February 28, 2025 | 14,181,369                     | 255,563,891 | 10.43                   | 188.32 |
| January 31, 2025  | 12,548,501                     | 254,039,363 | 9.60                    | 194.03 |

(Source: www.bseindia.com and www.nseindia.com)

- (v) The following table sets forth the market price on the Stock Exchanges on May 5, 2025, that is, the first working day following May 3, 2025, being the date of the approval of our Board of Directors for the Issue:

| Stock Exchange | Open (₹) | High (₹) | Low (₹) | Close (₹) | Number of Equity Shares traded | Turnover (₹ billion) |
|----------------|----------|----------|---------|-----------|--------------------------------|----------------------|
| BSE            | 784.95   | 799.10   | 783.65  | 790.00    | 771,587                        | 0.61                 |
| NSE            | 782.00   | 799.00   | 782.00  | 790.00    | 23,986,447                     | 18.94                |

(Source: www.bseindia.com and www.nseindia.com)

## USE OF PROCEEDS

The Gross Proceeds from the Issue aggregates to ₹250.00 billion.

Subject to compliance with applicable laws and regulations, the net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue aggregating to approximately ₹0.06 billion (“**Issue Expenses**”) from the aggregate proceeds of the Issue, are approximately ₹249.94 billion (“**Net Proceeds**”).

### **Purpose of Funds and Utilization of Net Proceeds**

Subject to compliance with applicable laws, our Bank intends to utilize the Net Proceeds towards augmentation of Bank’s Tier-I capital base to meet Bank’s future capital requirements and to support growth plans and to enhance the business of the Bank.

### **Schedule of deployment of funds**

Our Bank currently proposes to deploy the Net Proceeds in the aforesaid object in Fiscal 2026.

### **Monitoring of utilization of funds**

In terms of the proviso to Regulation 173A(1) of the SEBI ICDR Regulations, our Bank is not required to appoint a monitoring agency for this Issue.

### **Other Confirmations**

The Net Proceeds are proposed to be deployed towards the purpose set out above and are not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose (i) the break-up of cost of the project (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, is not applicable.

None of our Directors are making any financial contribution either as part of the Issue or separately in furtherance of the objects of the Issue.

## CAPITALISATION STATEMENT

The following table sets forth our Bank's capitalization on an actual basis as at March 31, 2025 which has been extracted from our Financial Year 2024-2025 Audited Financial Statements, and as adjusted to give effect to the receipt of the gross proceeds of the Issue. This table should be read in conjunction with the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" beginning on pages 77 and 263, respectively.

### Capitalisation Statement (on a standalone basis)

| (In ₹ billion)                              |                                  |                                       |
|---------------------------------------------|----------------------------------|---------------------------------------|
| Particulars                                 | Pre-Issue (as at March 31, 2025) | Post-Issue as adjusted <sup>(1)</sup> |
| <b>Liabilities</b>                          |                                  |                                       |
| <b>Deposits</b>                             |                                  |                                       |
| <b>Demand deposits</b>                      |                                  |                                       |
| i) From Banks                               | 45.12                            | 45.12                                 |
| ii) From Others                             | 3,714.36                         | 3,714.36                              |
| <b>Saving Bank Deposits</b>                 | 17,079.30                        | 17,079.30                             |
| <b>Term Deposits</b>                        |                                  |                                       |
| i) From Banks                               | 145.79                           | 145.79                                |
| ii) From Others                             | 32,837.33                        | 32,837.33                             |
| <b>Total Deposits (A)</b>                   | <b>53,821.90</b>                 | <b>53,821.90</b>                      |
| <b>Other liabilities and Provisions (B)</b> | <b>2,891.29</b>                  | <b>2,891.29</b>                       |
| <b>Borrowings (C)</b>                       | <b>5,635.73</b>                  | <b>5,635.73</b>                       |
| <b>Total Liabilities (D = A+B+C)</b>        | <b>62,348.92</b>                 | <b>62,348.92</b>                      |
| <b>Shareholders' Funds</b>                  |                                  |                                       |
| Capital                                     | 8.92                             | 9.23                                  |
| Reserves and Surplus                        | 4,402.70                         | 4,652.39                              |
| <b>Total Shareholders' Funds (E)</b>        | <b>4,411.62</b>                  | <b>4,661.62</b>                       |
| <b>Total capitalisation (D+E)</b>           | <b>66,760.54</b>                 | <b>67,010.54</b>                      |

Note: <sup>(1)</sup> As adjusted to reflect the number of Equity Shares issued pursuant to the Issue and proceeds from the Issue. Adjustments do not include Issue related expenses.

### Capitalisation Statement (on a consolidated basis)

| (In ₹ billion)                              |                                  |                                       |
|---------------------------------------------|----------------------------------|---------------------------------------|
| Particulars                                 | Pre-Issue (as at March 31, 2025) | Post-Issue as adjusted <sup>(1)</sup> |
| <b>Liabilities</b>                          |                                  |                                       |
| <b>Deposits</b>                             |                                  |                                       |
| <b>Demand deposits</b>                      |                                  |                                       |
| i) From Banks                               | 43.28                            | 43.28                                 |
| ii) From Others                             | 3,839.20                         | 3,839.20                              |
| <b>Saving Bank Deposits</b>                 | 17,206.89                        | 17,206.89                             |
| <b>Term Deposits</b>                        |                                  |                                       |
| i) From Banks                               | 143.02                           | 143.02                                |
| ii) From Others                             | 33,166.60                        | 33,166.60                             |
| <b>Total Deposits (A)</b>                   | <b>54,398.98</b>                 | <b>54,398.98</b>                      |
| <b>Other liabilities and Provisions (B)</b> | <b>7,583.67</b>                  | <b>7,583.67</b>                       |
| <b>Borrowings (C)</b>                       | <b>6,108.57</b>                  | <b>6,108.57</b>                       |
| <b>Total Liabilities (D = A+B+C)</b>        | <b>68,091.23</b>                 | <b>68,091.23</b>                      |
| <b>Shareholders' Funds</b>                  |                                  |                                       |
| Capital                                     | 8.92                             | 9.23                                  |
| Reserves and Surplus                        | 4,861.44                         | 5,111.13                              |
| <b>Total Shareholders' Funds (E)</b>        | <b>4,870.36</b>                  | <b>5,120.36</b>                       |
| <b>Minority Interest (F)</b>                | <b>180.26</b>                    | <b>180.26</b>                         |
| <b>Total capitalisation (D+E+F)</b>         | <b>73,141.85</b>                 | <b>73,391.85</b>                      |

Note: <sup>(1)</sup> As adjusted to reflect the number of Equity Shares issued pursuant to the Issue and proceeds from the Issue. Adjustments do not include Issue related expenses.

## DIVIDEND POLICY

The RBI has laid down certain guidelines on the declaration of dividends by banks. The Bank, inter alia, follows the RBI Dividend Circular.

For eligibility criteria for declaration of dividend in terms of the RBI Dividend Circular, see “*Description of the Equity Shares - Declaration of Dividend*” on page 241.

For a summary of certain Indian and United States federal tax consequences of dividend distributions to shareholders, see “*Taxation*” and “*Certain United States Federal Income Tax Considerations*” on pages 242 and 253, respectively.

The Bank generally declares and pays dividends in the Fiscal Year following the Fiscal Year to which they relate. In addition, the Bank may also declare interim dividends from time to time.

The details of dividend paid by our Bank are set out in the following table:

| Year/ Period                                           | Subscribed and paid-up share capital (number of Equity Shares) | Face Value of Equity Share (In ₹) | Interim dividend per Equity Share (In ₹) | Final dividend per Equity Share (In ₹) | Total amount of dividend (In ₹ billion) | Dividend Rate (%) |
|--------------------------------------------------------|----------------------------------------------------------------|-----------------------------------|------------------------------------------|----------------------------------------|-----------------------------------------|-------------------|
| April 1, 2025 till the date of this Placement Document | 8,924,620,034                                                  | 1                                 | NIL                                      | NIL                                    | NIL                                     | NIL               |
| Financial Year 2024-2025 <sup>#</sup>                  | 8,924,620,034                                                  | 1                                 | NIL                                      | 15.90                                  | 141.90                                  | 1,590             |
| Financial Year 2023-2024 <sup>#</sup>                  | 8,924,611,934                                                  | 1                                 | NIL                                      | 13.70                                  | 122.27                                  | 1,370             |
| Financial Year 2022-2023 <sup>#</sup>                  | 8,924,611,534                                                  | 1                                 | NIL                                      | 11.30                                  | 100.85                                  | 1,130             |

<sup>#</sup>Dividend proposed by the Central Board of Directors for the respective financial year and declared after the year end after obtaining necessary approvals are considered as dividend for the year.

The amounts paid as dividends in the past are not necessarily indicative of our Bank’s dividend policy or dividend amounts, if any, in the future. See “*Risk Factors - Our ability to pay dividends in the future will depend upon applicable RBI regulations, our earnings, financial condition and capital requirements. Any inability to declare dividend may adversely affect the trading price of our Equity Shares*” on page 54.

The form, frequency and amount of future dividends declared by our Bank will depend on a number of internal and external factors, including, but not limited to, availability of profits for distribution, working capital requirements, capital expenditure requirements, capital investment requirements, cash flow and liquidity, debt services and leverage ratio, outstanding borrowing and repayment schedules, past dividend trends, prevailing legal requirements, regulatory conditions or restrictions including tax laws; macro-economic factors; economic and industry outlook; growth outlook and any other relevant factors that the Board may deem fit to consider before declaring dividend.

The Equity Shares to be issued in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted. For further information, please see the section entitled “*Description of the Equity Shares*” on page 240.

For a summary of certain Indian tax consequences of dividend distributions to the Shareholders, please see “*Taxation*” on page 242.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Bank or for an investment in the Equity Shares offered in the Issue

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 16, for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations- Principal Factors affecting our Results of Operations and Financial Condition" on pages 36 and 77, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year. Unless otherwise specified or unless the context otherwise requires, the financial information we present and discuss in this section is derived from our audited standalone financial statements, included in this Placement Document. Our standalone financial statements do not consolidate the assets, liabilities or results of operations of our subsidiaries, but only reflect our subsidiaries to the extent that we record the value of our equity interests as assets and record income in the form of dividends and other distributions and profit or loss on the disposal, reclassification or revaluation of our equity interests. See "Our Business — Indian Subsidiaries and Joint Ventures" and "Our Business — Foreign Subsidiaries and Joint Ventures" for more information about our subsidiaries and refer to our audited consolidated financial statements for Fiscals 2025, 2024 and 2023 for financial information that includes our subsidiaries on a consolidated basis. For further information, see "Financial Statements" on page 263. The degree to which the financial information prepared in accordance with Indian GAAP will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, and includes extracts from publicly available documents from various sources, including officially prepared materials from the Government of India (the "GoI") and its various ministries including the Ministry of Statistics and Programme Implementation and the Reserve Bank of India, and has not been prepared or independently verified by our Bank, the Book Running Lead Managers or any of their affiliates or advisers.

Unless otherwise stated, references to "the Bank" or "our Bank", are to State Bank of India on a standalone basis and references to "we", "us", "our" and "the Group" are to State Bank of India on a consolidated basis.

### OVERVIEW

For details on the business of our Bank, see "Our Business" on page 143.

### PRESENTATION OF FINANCIAL INFORMATION

In this Placement Document, we have included the following financial statements prepared under Indian GAAP:

- (i) audited standalone and consolidated financial statements as of and for the year ended March 31, 2023 read along with the notes thereto (the "**Fiscal 2023 Audited Financial Statements**");
- (ii) audited standalone and consolidated financial statements as of and for the year ended March 31, 2024 read along with the notes thereto (the "**Fiscal 2024 Audited Financial Statements**");
- (iii) audited standalone and consolidated financial statements as of and for the year ended March 31, 2025 read along with the notes thereto (the "**Fiscal 2025 Audited Financial Statements**" and collectively with Fiscal 2023 Audited Financial Statements and Fiscal 2024 Audited Financial Statements, the "**Audited Financial Statements**").

In this section, we have included (i) a comparison of our Bank's standalone Fiscal 2025 Audited Financial Statements with our Bank's standalone Fiscal 2024 Audited Financial Statements, and (ii) a comparison of our Bank's standalone Fiscal 2024 Audited Financial Statements with our Bank's standalone Fiscal 2023 Audited Financial Statements.

## PRINCIPAL FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our results of operations and financial condition:

### ***Macroeconomic environment***

As a bank with significant operations in India, our Bank's financial position and results of operations have been and will continue to be significantly affected by overall economic growth patterns in India. India's economy has showed its strength and stability in the past few years. India's GDP grew at 6.5% in Fiscal 2025 (Source: RBI Bulletin May 2025), marking the highest growth rate among major economies, propelled by a robust domestic market and government-led investments that have bolstered demand. Strong economic growth tends to positively impact our Bank's results of operations, since it can cause businesses to plan and invest more confidently, in turn driving stronger demand for bank credit as well as other banking products and services (including value-added payment products and services, life insurance, pension and health products and investment advisory and management services) that we offer. The fiscal policy adopted also contributes to our Bank's results of operations. Stronger economic growth also generally increases the interest income that our Bank is able to generate from the loans it offers and tends to improve the overall creditworthiness of our Bank's customers.

Economic growth in India is also influenced by inflation. The level of inflation may limit monetary easing or cause monetary tightening by the RBI. In periods of high rates of inflation, our Bank's costs, such as operating expenses, may increase, which could have an adverse effect on our Bank's results of operations. Inflation may also have a bearing on the overall interest rates which may adversely affect our net interest income. For further information, see *"Risk Factors – Risks Relating to doing business in India – High rates of inflation in India could have an adverse effect on our results of operations."* on page 65.

### ***NPA levels and provisioning***

The quality of our Bank's loan portfolio i.e., how likely it is that borrowers will repay their loans in full and on time is a key factor that determines our Bank's financial performance. Our Bank uses a range of tools to monitor and account for the effect of loans that may not be repaid. In accordance with RBI guidelines, loans are classified as either performing or non-performing.

A non-performing asset is a loan or an advance where: (i) interest and/or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan; (ii) the account remains "out of order" in respect of an overdraft or cash credit; (iii) the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted; (iv) the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops; (v) the instalment of principal or interest thereon remains overdue for one crop season for long duration crops; (vi) the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021; or (vii) in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment. According to master circular published by RBI in April 2023, an account should be classified as an NPA on the basis of the record of recovery and not merely on deficiencies which are temporary in nature, such as non-availability of adequate drawing power based on the latest available stock statement, balance outstanding exceeding the limit, non-submission of stock statements and nonrenewal of limits on the due date or non-submission of stock statements. Under the RBI guidelines, NPAs are further classified into "Sub-Standard", "Doubtful" and "Loss" assets based on the age of arrears and whether actual loss has been identified.

The primary measure of asset quality is our Bank's NPA ratio, which is the value of NPAs as a percentage of our Bank's total loans. Our Bank measures the NPA ratio on a gross basis and on a net basis as a percentage of total loans. As of March 31, 2023, 2024 and 2025, our Bank's gross NPA ratio was 2.78%, 2.24% and 1.82%, respectively, and our Bank's net NPA ratio was 0.67%, 0.57% and 0.47%, respectively.

The RBI has increasingly imposed greater focus and stricter standards on identifying and disclosing NPAs. Our Bank's NPA levels directly affect profitability, primarily through the provisions that it is required to recognize to account for the estimated losses it expects to incur on those loan assets. These provisions are recorded on our Bank's profit and loss account for the period in which they are incurred, reducing profit. The RBI requires banks to apply minimum provisioning requirements across their portfolio of NPAs, which consider the classification of the NPA and whether it is secured. Our Bank complies with these guidelines, as well as any stricter requirements in the foreign jurisdictions in which it operates. In addition, our Bank may make additional specific provisions where we believe we are required to reflect anticipated losses.

The overall level of provisioning for NPAs is reflected in our Bank's "provision coverage ratio", which is the value of the provisions our Bank carries, as a percentage of the total NPAs. The RBI guidelines require banks to disclose the provisioning coverage ratio in the notes to their financial statements. Our Bank's net provisioning coverage ratio as of March 31, 2023, 2024 and 2025, computed as per RBI guidelines, was 76.39%, 75.02% and 74.42%, respectively. See *"Risk Factors — Risks Relating*

to our Business — Our business and financial condition may be adversely affected in case of an increase in the level of non-performing assets in our portfolio or RBI mandated provisioning requirements.” on page 37. In addition, the RBI’s annual supervisory process may assess higher provisions than our Bank has made. In addition to provisions for non-performing loans, our Bank may also incur losses as a result of investments it makes.

To the extent that our Bank is able to recover any loans that have been written-off, such amount is credited to our Bank’s income statement. Recoveries in written-off accounts amounted to ₹70.97 billion, ₹69.34 billion and ₹80.02 billion for Fiscals 2023, 2024 and 2025, respectively.

### **Capital adequacy, liquidity requirements and reserve ratios**

The Basel III framework on ‘Liquidity Standards’ includes ‘Liquidity Coverage Ratio’, ‘Net Stable Funding Ratio’ (“**NSFR**”) and liquidity risk monitoring tools. In June 2014, the RBI issued guidelines in relation to liquidity coverage ratio (“**LCR**”), liquidity risk monitoring tools and LCR disclosure standards pursuant to the publication of the ‘Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools’ in January, 2013 and the ‘Liquidity Coverage Ratio Disclosure Standards’ in January 2014 by the Basel Committee which provided enhanced guidance on liquidity, risk governance, measurement, monitoring and reporting to the RBI on liquidity positions. The guidelines stipulate that banks were to ensure an LCR of 60% for 2015 with effect from January 1, 2015, minimum 90% with effect from January 1, 2018 and were expected to make a transition to an LCR of 100% on January 1, 2019. In order to accommodate the burden on banks’ cash flows on account of the COVID-19 pandemic, RBI issued a notification dated April 17, 2020, permitting banks to maintain LCR as set forth below:

|                                             |      |
|---------------------------------------------|------|
| From date of circular to September 30, 2020 | 80%  |
| October 1, 2020 to March 31, 2021           | 90%  |
| April 1, 2021 onwards                       | 100% |

Further, RBI issued a notification dated April 21, 2025, to amend the guidelines on ‘Liquidity Coverage Ratio Disclosure Standards’, published in January, 2014, to improve the liquidity resilience of banks in India and further align the guidelines with global standards while ensuring that such an enhancement is done in a non-disruptive manner. The LCR measures a bank’s ability to manage and survive for 30 days under a significant stress scenario that combines idiosyncratic as well as market-wide shock situations that would result in accelerated withdrawal of deposits from retail as well as wholesale depositors, partial loss of secured funding, increase in collateral requirements and unscheduled drawdowns of unused credit lines. At least 60% of the net cash outflows in the next 30 days, computed with these assumptions of a stressed scenario, are required to be supported by High Quality Liquid Assets (“**HQLA**”). Further, the Basel Committee on Banking Supervision issued the final rules on ‘Net Stable Funding Ratio’ on October 31, 2014 and RBI issued the guidelines on NSFR on May 17, 2018 with the objective to ensure that banks maintain a stable funding profile in relation to the composition of their assets and off- balance sheet activities. RBI had published a circular dated November 29, 2018, notifying that the NSFR guidelines shall come into effect from April 1, 2020. RBI had published circulars dated March 27, 2020, September 27, 2020 and February 5, 2021 which deferred to the implementation. The NSFR guidelines came into effect on October 1, 2021.

As of March 31, 2025, our Bank’s capital adequacy ratio was 14.25% as per Basel III comprising Tier I capital of ₹ 4,419.70 billion and Tier II capital of ₹ 780.92 billion. Although our Bank currently exceeds the applicable capital adequacy requirements, adverse developments could affect our Bank’s ability to satisfy these requirements in the future, including deterioration in asset quality, decline in the value of investments and inability to meet any regulatory requirements or changes. The regulatory minimum Common Equity Tier 1 capital (“**CET1**”), including capital conservation buffer, is 8.8% with effect from April 1, 2025.

Our Bank’s profit may be affected by the amount of its provisions against loans. Banks are required to disclose the provisioning coverage ratio in the notes to accounts to their balance sheet. For further information, see “*Risk Factors – We are subject to capital adequacy norms and are required to maintain a capital-to-risk asset ratio (“**CRAR**”) at the minimum level required by RBI for domestic banks. Any inability to maintain adequate capital due to change in regulations or lack of access to capital or otherwise could materially and adversely affect our results of operations and financial condition.*” on page 48.

### **Interest income**

Interest income has historically been the most significant component of our Bank’s revenue. In Fiscals 2023, 2024 and 2025, our Bank’s interest income was ₹ 3,321.03 billion, ₹ 4,151.31 billion and ₹ 4,624.89 billion, respectively, representing 90.07%, 88.93% and 88.23%, respectively, of our Bank’s total income.

In Fiscals 2023, 2024 and 2025, net interest income was ₹ 1,448.41 billion, ₹ 1,598.76 billion and ₹ 1,669.65 billion, respectively, representing 39.28%, 34.25% and 31.85%, respectively, of our Bank’s total income. Net interest income is the difference between the total interest earned on interest-earning assets and the total interest paid on interest-bearing liabilities.



Our Bank's net interest income is dependent on a number of factors including the general prevailing level of interest rates, its ability to allocate its funds to assets that provide high interest rates and its cost of funding.

### *Interest rates*

Changes in interest rates affect the interest rates we charge on our interest-earning assets and that we pay on our interest-bearing liabilities. Movements in short-term and long-term interest rates affect our interest income and interest expense as well as the level of gains and losses on our securities portfolio. Indian banks including us follow the direction of interest rates set by the RBI and adjust both deposit rates and lending rates upwards or downwards accordingly. Decreases in the RBI policy rates would prompt Indian banks to re-examine their lending rates. Adverse changes in prevailing interest rates may result in a decline in net interest income due to increase in our costs of funds or deposits without a corresponding increase in our yield on assets. Interest rates are highly sensitive to many external factors beyond our control, including growth rates in the economy, inflation, money supply, RBI's monetary policies, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors.

Further, the RBI issued a circular on September 4, 2019 making it mandatory for banks to link all floating rate personal or retail loans and floating rate loans to micro and small enterprise borrowers to an external benchmark with effect from October 1, 2019. With a view to further strengthening monetary policy transmission, RBI issued a circular on February 26, 2020, to further link all new floating rate loans to the medium enterprises extended by banks to the external benchmarks with effect from April 1, 2020. The banks are free to choose one of the several benchmarks indicated in the circular. The banks are also free to choose their spread over the benchmark rate, subject to the condition that the credit risk premium may undergo change only when borrower's credit assessment undergoes a substantial change, as agreed upon in the loan contract. Linking floating rate loans to external benchmarks, as required by recent RBI circulars, makes our lending rates more responsive to changes in monetary policy and reduces rate-setting discretion. This increases transparency for borrowers but can lead to greater volatility in our net interest margins, directly affecting our profitability and results of operation. For further information, see "*Risk Factors – Risks relating to our Business - Our business is particularly vulnerable to interest rate risk, and any volatility in interest rates could adversely affect our net interest margins, the value of our fixed income portfolio, income from treasury operations, our financial condition and results of operations*" on page 36.

### *Allocation of funds*

The growth of the Indian economy has enabled us to allocate our funds from Government securities to advances, which offer us higher returns subject to maintaining minimum statutory requirements. Further, we diversify our net interest income portfolio by lending to retail customers, large corporates and small and medium enterprises across various industry segments. If the volume of our loans decreases due to a general slowdown in the economy, increased competition or other factors, our net interest income will decrease as well. In addition, we seek to allocate our funds in an optimum manner at any point of time depending on our liquidity and prevailing interest rates.

### *Sources of funding*

Our primary interest-bearing liability is our deposit base. Adverse economic conditions may also limit or negatively affect our ability to attract deposits, replace maturing liabilities in a timely manner and at commercially acceptable rates, satisfy statutory liquidity requirements and access funding. To continue to source low-cost funding through customer deposits, we must, among other measures, further develop our rapidly expanding branch network, increase brand recall and develop products and services to distinguish ourselves in an increasingly competitive industry. However, increasing customer sophistication, competition for funding, any sharp increase in prevailing interest rates and changes to the RBI's liquidity and reserve requirements may increase the rates that we pay on our deposits. As of March 31, 2023, 2024 and 2025, we had total deposits of ₹ 44,237.78 billion, ₹ 49,160.77 billion and ₹ 53,821.90 billion, respectively, and a credit-to-deposit ratio of 72.32%, 75.34% and 77.35%, respectively. As of March 31, 2025, our Bank's domestic CASA deposits were ₹ 20,651.61 billion. Our domestic CASA ratio decreased from 43.80% as of March 31, 2023 to 41.11% as of March 31, 2024 and was 39.97% as of March 31, 2025.

Our ability to meet demand for new loans and lower our cost of funding will depend on our ability to continue to broad base deposit profile, our ability to attract and retain new customers, and continued access to term deposits from the retail, corporate and inter-bank market. Our debt service costs and cost of funds depend on many external factors, including developments in the Indian credit markets and, in particular, interest rate movements and the existence of adequate liquidity in the inter-bank markets. Internal factors that will impact cost of funds include changes in credit ratings, available credit limits and ability to mobilize low-cost deposits, particularly through our retail banking branches.

### *Regulatory measures and reforms*

The banking industry in India is subject to extensive regulations issued by Governmental organizations and regulatory bodies including the RBI, SEBI and the Insurance Regulatory and Development Authority, and self-regulatory organisations. These

regulations cover various aspects such as loans and advances, investments, deposits, risk management, foreign investment, corporate governance and market conduct, customer protection, foreign exchange management, capital adequacy, margin requirements, know-your customer and anti-money laundering, and provisioning for NPAs. The RBI also prescribes required levels of lending to “priority sectors” such as agriculture, which may expose us to higher levels of risk than we may otherwise face.

Since 2014, the GoI has introduced various economic reforms intended to provide increased control and transparency in the banking and financial services industry. In order to strengthen banks’ ability to effectively resolve stressed assets and enhance transparency, the RBI has issued guidelines on the sale of stressed assets by banks and introduced measures to deal with stressed assets. These guidelines require banks to identify the specific financial assets identified for sale to other institutions, including securitisation companies/ reconstruction companies.

Basel III reforms are the response of Basel Committee on Banking Supervision (“**BCBS**”) to improve the banking sector’s ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spill over from the financial sector to the real economy. Basel III reforms strengthen the bank-level i.e. micro prudential regulation, with the intention to raise the resilience of individual banking institutions in periods of stress. Besides, the reforms have a macro prudential focus also, addressing system wide risks, which can build up across the banking sector, as well as the pro cyclical amplification of these risks over time.

Monetary policy is heavily influenced by the condition of the Indian economy, and changes in the monetary policy affect the interest rates of advances and deposits. The RBI responds to fluctuating levels of economic growth, liquidity concerns and inflationary pressures in the economy by adjusting its monetary policy. A monetary policy designed to combat inflation typically results in an increase in RBI lending rates. Further, in addition to having gradually established more stringent capital adequacy requirements, the RBI has also instituted several prudential measures including an increase in risk weights for capital adequacy computation and general provisioning for certain types of asset classes.

For further information, see “*Regulations and Policies*” on page 198. Other similar measures and regulatory developments relating to the Indian banking and financial services industry may have a significant impact on our operations and financial performance.

## **Competition**

Although difficult to quantify, competition may significantly affect our Bank’s results of operations and will continue to shape the products and services offered, efficiency and ultimately profitability of Indian banks. Our Bank faces strong competition in all its principal lines of business. Our Bank’s primary competitors are other large public sector banks, private sector banks, non-banking financial companies, foreign banks and, in some product areas, development financial institutions. In particular, consolidation in the Indian banking industry has increased and may continue to increase competitive pressures experienced by our Bank. For example, in Fiscal 2019, the Government announced the merger of three other public sector banks, Bank of Baroda, Vijaya Bank and Dena Bank, effective from April 1, 2019. In Fiscal 2020, the Government announced several additional mergers of public banks, each of which became effective from April 1, 2020: amalgamation of Syndicate Bank with Canara Bank; amalgamation of Andhra Bank and Corporation Bank; and Allahabad Bank’s merger with Indian Bank.

Our Bank also faces competition from big tech and fintech companies in the financial landscape. Big tech firms are increasingly encroaching on traditional banking territories by offering digital payment solutions, lending services, and other financial products, leveraging their vast user bases and technological capabilities. Fintech startups, on the other hand, are introducing innovative solutions such as peer-to-peer lending, blockchain-based services, and mobile banking applications, which appeal to technologically savvy customers looking for convenience and lower costs. These players not only provide enhances customer experiences but also operate with greater agility, posing a challenge to our Bank’s traditional banking model. To stay competitive in these landscapes, our Bank invests in digital transformation to meet the rising expectations of our modern customers, such as our YONO mobile banking platform.

In addition, entities within our Group, such as SBI Cards, SBI Life and SBI Funds, face significant competition in their respective sectors. For example, SBI Cards competes directly with other credit card issuers and value-added payment product providers, which are continually innovating to attract and retain customers. SBI Life is exposed to competitive pressures from both established insurers and new market entrants offering life insurance, pension and such other products. Similarly, SBI Funds competes with domestic and international asset management companies for investment advisory and management services. Increased competition in these areas could affect the market position, growth prospects, and profitability of these group companies, thereby impacting the overall performance of our Group.

As competitive pressures intensify, our Bank may be required to expend additional resources to offer a more attractive value proposition to its customers, which could make our products more customer friendly. In addition, increasing competition may exert downward pressures on the interest rates and may have impact on Bank’s margins.

## CHANGES IN ACCOUNTING POLICIES

There were no changes in the significant accounting policies adopted during Fiscal 2025 as compared to those followed in the previous Fiscal 2024, except for the following:

(i) Policies on classification and valuation of investments:

With effect from April 1, 2024, our Bank adopted the revised framework of classification and valuation of investments issued by RBI vide Master Direction No. RBI/DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24 on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 dated September 12, 2023. For the purpose of consolidation, all the subsidiaries and joint ventures of our Bank have followed the revised investment framework except SBI Life Insurance Company Limited and SBI General Insurance Company Limited, (the subsidiaries regulated by IRDAI) which continue to follow IRDAI guidelines.

(ii) Method of recording the transactions in Held to Maturity (“**HTM**”) securities:

As per the extant policy, the premium paid on acquisition of HTM category investments was amortised over the term to maturity on a constant yield basis. In terms of new investment framework, our Bank had switched over to Weighted Average Carrying Cost (WACC) from First in First Out (FIFO) method of recording transactions uniformly across all categories of investments and amortization of both, premium and discount on acquisition.

(iii) Method of amortization for Floating Rate Bonds:

The revised framework on investment allow amortisation of premium and discount across all categories of investments. To comply with these amortization norms, our Bank had switched over to Straight Line Method from constant yield method.

(iv) Impact on account of (i), (ii) and (iii) above

In terms of the transition guidelines of the revised framework, on April 1, 2024, our Group debited net loss of ₹ 7.15 billion (net of tax) to the general reserve and balance in profit and loss account and credited net gain of ₹ 44.29 billion (net of tax) to the Available for Sale (AFS) Reserve. The impact of the revised framework for the period prior to the transition date is not ascertainable. As a result, the income / profit or loss from investments for the year ended March 31, 2025 are not comparable to figures reported for the year ended March 31, 2024.

There were no changes in the significant accounting policies adopted during Fiscal 2023 and 2024. For further details, see “*Financial Statements*” on page 263.

## SIGNIFICANT ACCOUNTING POLICIES

The below are the significant accounting policies and methods of applying these principles in the preparation and presentation of the standalone financial statements of our Bank. For more information, see also “*Financial Statements*” on page 263.

### BASIS OF PREPARATION

Our Bank’s financial statements have been prepared under the historical cost convention, with fundamental accounting assumptions of going concern, consistency, and accrual, unless otherwise stated. They conform to the Generally Accepted Accounting Principles in India (“**Indian GAAP**”), comprising of regulatory norms, directions & guidelines prescribed by the RBI, statutory guidelines of the State Bank of India Act 1955, and the Banking Regulations Act, 1949, Accounting Standards issued by Institute of Chartered Accountants of India (“**ICAI**”), and the accounting practices prevalent in the banking industry in India.

In the case of foreign offices, the statutory provisions and practices of the respective country are followed, provided they are more prudent than the related norms in India.

These financial statements have been prepared in accordance with requirements under the Third Schedule of the Banking Regulation Act, 1949

### Use of Estimates

The preparation of financial statements requires our Bank’s management to make estimates and assumptions that are considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and

the reported income and expenses during the reporting period. Our Bank's management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to the accounting estimates is recognized prospectively from the period of change unless otherwise stated.

### **Revenue Recognition**

Income and expenditure are recognized in the profit and loss account on accrual basis, unless otherwise stated.

Income from Non-Performing Assets ("NPAs") including non-performing investments is recognized in the Profit and Loss Account on realization basis.

All commission and fee income are recognized on realization basis, except commission income from Letters of Credit ("LC"), Bank Guarantees ("BG"), Deferred Payment Guarantees, Government Business, incentive on UPI transactions, ATM interchange fees, and upfront fees on restructured accounts, which are recognized on an accrual basis (proportionately over the relevant period).

Income from units of mutual funds, alternative investment funds and other such pooled / collective investment funds is recognized in the Profit and Loss Account on realization basis.

The discount or premium if any on acquisition of all debt securities, across all categories of investments i.e. HTM, AFS, HFT-FVTPL meeting Solely Payments of Principal and Interest ("SPPI") criterion is amortized over the remaining life of the instrument using Constant Yield method.

However, in case of overseas investments and investments in floating rate bond, the discount or premium if any on acquisition is amortized over the remaining life of the instrument using straight line method.

Dividend income is recognized when the right to receive the dividend is established.

Our Bank derecognizes its financial assets upon sale to Securitization Company ("SC") / Reconstruction Company ("RC"), and accounts for the transaction as under:

- i. If the sale is at a price below the Net Book Value ("NBV") (i.e., book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of transfer / sale.
- ii. If the sale is for a price higher than the NBV, the excess provision is written back in the year the amounts are received. In case, SRs guaranteed by the Government of India are received as a part of sale consideration the excess provision to the extent of Face Value of Security Receipts guaranteed by Government of India is written back in the year of transfer/sale.

Income on Rupee Derivatives designated as "Trading" income is recognized in the Profit and Loss Account on realization basis.

### **Investments**

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation, as given below:

#### ***Classification***

Our Bank classifies the entire investment portfolio (except investments in our own Subsidiaries, Joint Ventures and Associates) under three categories viz., Held to Maturity ("HTM"), Available for Sale ("AFS") and Fair Value through Profit and Loss ("FVTPL") with a subcategory named Held for Trading ("HFT").

For disclosure in Balance Sheet, the investments are classified as Investments in India and outside India. The investments in India are further classified as (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and/or Joint Ventures (including Associates) and (vi) Other Investments.

The investments outside India are further classified as (i) Government Securities (ii) Subsidiaries and/or Joint Ventures (including Associates) (iii) Other Investments.

#### ***Basis of Classification***

- i. **Held to Maturity ("HTM"):** The securities acquired with the intention of holding it to maturity to collect the contractual cash flows and the contractual terms of the security give rise to cash flows that are SPPI criterion on specified date are categorized as Held to Maturity.

- ii. **Available for Sale (“AFS”)**: The securities acquired with the objective that is achieved by both collecting contractual cash flows and selling securities before maturity; and the contractual terms of the security give rise to cash flows that are SPPI criterion is categorized as Available for Sale.  
  
On initial recognition, our Bank make an irrevocable selection to classify an equity instrument, that is not held with the objective of trading, under AFS, in line with the RBI guidelines.
- iii. **Fair Value through Profit and Loss (“FVTPL”)**: Securities that do not qualify for inclusion in HTM or AFS are classified under Fair Value through Profit and Loss with a subcategory named Held for Trading. Any instrument that is held for one or more of the following purposes is designated as a Held for Trading instrument:
  - a. short-term resale;
  - b. profiting from short-term price movements;
  - c. locking in arbitrage profits; or
  - d. hedging risks that arise from instruments meeting (a), (b) or (c) above.

### ***Initial Recognition of Investments***

The transactions in all securities are measured at fair value on initial recognition with a presumption that acquisition cost is the fair value. This presumption is tested for transactions with related parties, transaction taking place in duress, transaction outside principal market and any other situation where facts and circumstances warrant testing of the presumption.

Fair value measurements are categorised into following 3 fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable,

- (a) “Level 1” – wherein inputs used for valuation of a financial instrument are quoted prices (unadjusted) in active markets for identical instruments that the bank can access at the measurement date;
- (b) “Level 2” – wherein inputs used for valuation of a financial instrument are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (such as yield curve, credit spread etc.);
- (c) “Level 3” – wherein valuation is based on unobservable inputs.

- i. Recognition of Day 1 Gain/Loss:
  - a. Day 1 gain / loss arising in initial recognition of Level 1 and Level 2 hierarchy, is recognized in the Profit and Loss Account, under ‘Profit/Loss on revaluation of investments(net)’ under ‘Other Income’.
  - b. Any Day 1 loss arising from Level 3 investments is recognized immediately.
  - c. Any Day 1 gains arising from Level 3 investments is deferred. In the case of debt instruments, the Day 1 gain is amortized on a straight- line basis up to the maturity date (or earliest call date for perpetual instruments), while for unquoted equity instruments, the gain is set aside as a liability until the security is listed or derecognized.
- ii. The transactions in all securities are recorded on a Settlement Date and the securities are held at weighted average cost method for all categories of investments.
- iii. Brokerage, Commission, Securities Transaction Tax (STT) etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
- iv. Broken period interest paid/ received on debt instruments is treated as interest expense/ income and is excluded from cost/ sale consideration.

### ***Subsequent Measurement of Investments***

- i. Securities held in HTM are carried at cost and are not marked to market (“MTM”) after initial recognition.
- ii. The securities held in AFS are fair valued at quarterly intervals. The valuation gains and losses across all performing investments held under AFS are aggregated. The net appreciation or depreciation is directly credited or debited to AFS-Reserve without routing through the Profit and Loss Account.
- iii. Securities that are classified under the HFT sub- category within FVTPL are fair valued on a daily basis, whereas other securities in FVTPL are fair valued at the end of every quarter. The net gain or loss arising on such valuation is credited or debited to the Profit and Loss Account.
- iv. Subsequent valuation of investment in subsidiaries, associates and joint ventures:’
  - a. All investments (i.e., including debt and equity) in subsidiaries, associates and joint ventures are held at acquisition cost.

- b. In case an existing investment becomes a Subsidiary, Associate or Joint Venture, the revised carrying value of the same on the date of change in classification is as determined as under:
  - For an investment held under HTM: the carrying value less the permanent impairment.
  - For an investment held under AFS: the carrying value adjusted for cumulative gains and losses previously recognized in AFS Reserve along with the permanent diminution, if any.
  - For an investment held under FVTPL: the fair value on date of the change in the classification.
- c. When an investment ceases to be a Subsidiary, Associate or Joint Venture, the reclassification to respective category is made as under:
  - For investment reclassified into HTM, there shall be no change in the carrying value.
  - For investment reclassified into AFS or FVTPL, the fair value on the date of reclassification is considered as carrying value by transferring the difference between the revised and the previous carrying values to AFS-Reserve and Profit and Loss account respectively.
- d. Our Bank evaluates investments in subsidiaries, associates or joint ventures for impairment at quarterly intervals. When the need to determine whether the impairment has occurred arises in respect of a subsidiary, associate or joint venture, the same is made on the basis of the valuation of the investment by an independent registered valuer and diminution if any is recognized as an expense in the Profit and Loss Account. It is subsequently reversed through Profit and Loss Account, if there is a reversal of the diminution.
- v. Valuation in the event of inter category transfer of investments: The reclassification between the categories (viz. HTM, AFS and FVTPL) if any, is done with approval of the Board and prior approval of the RBI. The reclassification is applied prospectively from reclassification date and is accounted in compliance with RBI guidelines.
- vi. Valuation of Security Receipts (“SRs”):
  - a. The SRs obtained by way of sale of NPA to Securitisation Company (SC)/ Asset Reconstruction Company (ARC), is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the NPA; and (ii) Redemption value of SR.
  - b. Investments in Security Receipts are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.
  - c. SRs guaranteed by the Government of India are valued at face value or Net Asset Value (NAV) declared by the ARC (based on the recovery ratings received for such instruments) whichever is lower. Any SRs outstanding after the final settlement of government guarantee or expiry of the guarantee period, whichever is earlier, are valued at ₹1.
- vii. Zero-coupon discounted instruments such as Treasury Bills, Commercial Paper, Certificate of Deposits and Zero-Coupon Bonds are held at carrying cost i.e. the acquisition cost adjusted for the discount accrued at the rate prevailing at the time of acquisition.

#### ***Non-performing investments (NPI)***

- i. In domestic offices, the investments are classified as non-performing or upgraded to standard in terms of the criterion laid down in extant Prudential Norms on Income Recognition, Asset Classification and Provisioning (“IRACP”) pertaining to advances.
  - a. Debt instruments such as bonds or debentures are recognized as NPIs where interest/ instalment (including maturity proceeds) is due and remains unpaid for more than 90 days. It applies mutatis mutandis to preference shares where fixed dividend is not declared/paid in any year; and the date of Balance Sheet of the issuer for that particular year is reckoned as due date for asset classification.
  - b. In the event the investment in equity shares of any company is valued at ₹1 per company on account of non-availability of the latest balance sheet or the same is more than 18 months old, those equity shares would be reckoned as NPI.
  - c. Our Bank also classifies an investment including preference shares as a non-performing investment in case any credit facility availed by the same borrower has been classified as a non-performing asset and vice versa. However, this stipulation is not applicable in cases where only preference shares are classified as NPI. i.e. in such cases, neither the investment in any of the other performing securities issued by the same issuer is classified as NPI nor any performing credit facilities granted to that borrower is treated as NPA.

- d. In case of conversion of principal and / or interest into equity, debentures, bonds, etc., such instruments are classified under HTM, AFS or FVTPL (including HFT) with the same asset classification category as that of the loan and provision is made as per the norms.
- ii. Investment classified as an NPI is segregated from rest of the investments within the same category and not considered for netting valuation gains and losses. Income on non-performing investments is recognised only on realisation of the same. MTM appreciation if any in these NPI securities is ignored.
- iii. Irrespective of the category (i.e., HTM, AFS or FVTPL (including HFT)) in which the investment has been placed, the expense for the provision for impairment are recognised in the Profit and Loss Account. The provision to be held on an NPI is the higher of the amount of provision on the carrying value of the investment immediately before it was classified as NPI as per IRACP norms and the depreciation on the investment with reference to its carrying value on the date of classification as NPI.  
  
Provided that in the case of an investment categorised under AFS against which there are cumulative gains in AFS-Reserve, the provision required is created by charging the same to AFS-Reserve to the extent of such available gains. Provided further that in the case of an investment categorised under AFS against which there are cumulative losses in AFS-Reserve, the cumulative losses are transferred from AFS- Reserve to the Profit and Loss Account.
- iv. Upon upgradation of the investment, the provision recognised is reversed and recognition of MTM gains and losses is resumed.
- v. In respect of foreign offices, classification and provisions for non-performing investments (NPIs) are made as per the local regulations or as per the norms of RBI, whichever are more prudent.

#### ***Accounting for Repo/Reverse Repo Transactions***

Our Bank enters Repurchase and Reverse Repurchase Transactions with RBI under Liquidity Adjustment Facility (LAF) and with market participants. Repurchase transaction represents borrowing by selling the securities with an agreement to repurchase the securities. Reverse Repo Transactions on the other hand, represent lending funds by purchasing the securities.

- i. Transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Collateralized Lending and Borrowing transactions.
- ii. In Repo and Reverse Repo transaction, securities sold (purchased) and repurchased (resell) are accounted as normal outright sale (purchase) transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and contra entries. The above entries are reversed on the date of maturity.
- iii. Balance in Repo Account is classified under 'Borrowings'.
- iv. All type of Reverse Repos with RBI including those under Liquidity Adjustment Facility are presented under sub item (ii) 'In Other Accounts' of item (II) Balances with RBI under 'Cash and balances with RBI'.
- v. Reverse Repos with banks and other institutions having original tenors up to and inclusive of 14 days are classified as Money at call and short notice under 'Balance with Banks and Money at call and short notice'. Reverse Repos with original maturity more than 14 days but up to 1 year are classified as Cash Credits, overdrafts, and loans repayable on demand, under 'Advances'. All other Reverse Repos are classified as Term Loans under 'Advances'.
- vi. Borrowing cost of repo transactions and revenue on reverse repo transactions, with RBI or others, is accounted for as interest expense and interest income, respectively.

#### **Loans/Advances and Provisions thereon**

Based on the guidelines / directives issued by the RBI, loans and advances in India are classified as performing and non-performing, as follows:

- i. A term loan is classified as a non-performing asset if interest and / or instalment of principal remains overdue for a period of more than 90 days.
- ii. An overdraft or cash credit is classified as a non- performing asset, if, the account remains "out of order", i.e. if the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or the credits are not enough to cover the interest debited during the previous 90 days period.
- iii. The bills purchased / discounted are classified as non-performing Asset if the bill remains overdue for a period of more than 90 days.
- iv. The agricultural advances are classified as a non- performing if,
  - a. for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and

- b. for long duration crops, where the principal or interest remains overdue for one crop season.

NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

- i. **Sub-standard:** A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. **Doubtful:** A loan asset that has remained in the sub-standard category for a period of 12 months or Sub-Standard Accounts where erosion in the value of security by more than 50% of the value assessed by the bank or accepted by RBI at the time of last inspection, as the case may be.
- iii. **Loss:** A loan asset where loss has been identified but the amount has not been fully written off or if the realizable value of the security as assessed by the Bank/approved valuers/RBI is less than 10 percent of the outstanding.

Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities:

| Provisions for NPAs |                                                                                                      |                       |      |
|---------------------|------------------------------------------------------------------------------------------------------|-----------------------|------|
| Substandard Assets  | Secured                                                                                              |                       | 15%  |
|                     | Unsecured ab-initio (i.e. where realizable value of security is not more than 10 percent ab-initio). |                       | 25%  |
|                     | In respect of infrastructure advances where certain safeguards such as escrow accounts are available |                       | 20%  |
| Doubtful Assets     | Secured Portion                                                                                      | Up to one year        | 25%  |
|                     |                                                                                                      | One to three years    | 40%  |
|                     |                                                                                                      | More than three years | 100% |
|                     | Unsecured Portion                                                                                    |                       | 100% |
| Loan Assets         |                                                                                                      |                       | 100% |

In respect of foreign offices, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.

Advances are net of specific loan loss provisions, unrealized interest, Export Credit and Guarantee Corporation claims received and bills rediscounted.

For restructured/ rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans/ advances before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.

In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulatory authorities.

Amounts recovered against debts written off in earlier years are recognized as revenue in the year of recovery.

In addition to the provision on NPAs, provisions are also made for standard assets as per extant RBI guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities and Provisions – Others" and are not considered for arriving at the Net NPAs.

The Bank also makes additional provisions on specific non-performing assets.

Recoveries from Non-Performing Assets (NPAs) are appropriated in the following order of priority:

- i. Charges, Costs, Commissions, etc.
- ii. Unrealized Interest / Interest
- iii. Principal

However, in compromise and resolution/ settlement through National Company Law Tribunal (NCLT) cases, the recoveries are appropriated as per the terms of respective compromise/ resolution/ settlement. And in case of suit filed accounts, recovery is appropriated as per directives of respective courts.

### Floating Provisions and Countercyclical Provisioning Buffer

Our Bank has a policy for creation and utilization of Countercyclical Provisioning Buffer in good times as well as for floating provisions separately for advances, investments, and general purposes. The quantum of floating provisions and countercyclical provisioning buffer to be created is assessed at the end of the financial year. These provisions are utilized only for contingencies under extraordinary circumstances specified in the policy with prior permission of the RBI.



## Provision for Country Exposure

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, Insignificant, Very Low, Low, Medium, High, Very High, Restricted and provisioning made as per extant RBI guidelines. If the country exposure (net) of our Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected under the head “Other Liabilities & Provisions – Others” in the Balance Sheet.

## Derivatives

Our Bank enter into interest rate derivatives (e.g. Interest Rate Swaps, Interest Rate Futures, Interest Rate Options, Interest Rate Caps and Floors, Forward Rate Agreements) and Foreign Currency Derivatives (e.g. Foreign Exchange Contracts, Currency/Cross Currency Swaps, Currency Options, Currency Futures) to hedge on-balance sheet/ off- balance sheet assets and liabilities or for trading purposes. Bank categorizes the derivatives portfolio into three fair value hierarchies viz. Level 1, Level 2, and Level 3 as defined for investments.

Our Bank follow the hedge accounting treatment stipulated in the Guidance Note on Accounting for Derivative Contracts (Revised 2021) issued by Institute of Chartered Accountants of India (ICAI), wherein:

- i. Under the Fair Value Hedge Accounting Model, the hedging instrument is measured at fair value with the change in fair value recognized in the Profit and Loss Account. The hedged item is re-measured at fair value in respect of the hedged risk and the resulting change is recognized in the Profit and Loss. Thus, the fair value changes of the hedged item and the hedging instrument offset and result in no net impact in the statement of Profit and Loss except for the impact of hedge ineffectiveness.
- ii. Under the Cash Flow Hedge, the hedging instrument is measured at fair value with the change in fair value of an effective hedge recognized in the Cash Flow Hedge Reserve and change in fair value of ineffective portion of gain or loss recognized in Profit and Loss Account. The changes in fair value of hedging instruments recognized in Cash Flow Reserve are recycled and recognized in Profit and Loss account while the impact of the hedged item is recognized in the Profit and Loss Account.

Application of hedge accounting is stopped when the risk management objective as defined originally at the time of first applying hedge accounting principles is no longer met. The hedge relationship is discontinued if:

- The hedging instrument expires or is sold, terminated, or exercised.
- Hedge items mature or is sold/terminated or forecast transaction is no longer expected to occur.
- Hedging relationship (or a part of a hedging relationship) cease to meet the qualifying criteria for hedge accounting.

Except as mentioned above, all other derivative contracts are marked to market as per the Generally Accepted Accounting Practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognized in the Profit and Loss Account in the period of change. Any receivable under derivative contracts, which remain overdue for more than 90 days, are reversed through Profit and Loss Account to “Suspense Account Crystallized Receivables”. In cases where the derivative contracts provide for more settlement in future and if the derivative contract is not terminated on the overdue receivables remaining unpaid for 90 days, the positive MTM pertaining to future receivables is also reversed from Profit and Loss Account to “Suspense Account - Positive MTM”.

Option premium paid or received is recorded in Profit and Loss Account at the expiry of the option. The balance in the premium received on options sold and premium paid on options bought is considered to arrive at Mark-to-Market value for forex Over the Counter (OTC) options.

Exchange Traded Derivatives entered in for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

## Fixed Assets, Depreciation and Amortization

Fixed Assets are carried at cost less accumulated depreciation/ amortization except for freehold premises carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation, unless stated otherwise.

Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put-to-use. Subsequent expenditure(s) incurred on the assets put-to-use are capitalized only when it increases the future benefits from such assets or their functioning capability. The fixed assets in domestic offices are depreciated at straight line method based on useful life of the assets stated as under:

| S/N | Description of Fixed Assets                                                                                  | Useful life for Depreciation |
|-----|--------------------------------------------------------------------------------------------------------------|------------------------------|
| 1.  | Computers                                                                                                    | 3 years                      |
| 2.  | Computer Software forming an integral part of the computer hardware                                          | 3 years                      |
| 3.  | Computer Software which does not form an integral part of Computer hardware and cost of Software Development | 3 years                      |
| 4.  | Automated Teller Machine/ Cash Deposit Machine/ Coin Dispenser/ Coin Vending Machine                         | 5 years                      |
| 5.  | Server                                                                                                       | 4 years                      |
| 6.  | Network Equipment                                                                                            | 5 years                      |
| 7.  | Other major fixed assets:                                                                                    |                              |
|     | Premises                                                                                                     | 60 Years                     |
|     | Safe Deposit Lockers                                                                                         | 20 Years                     |
|     | Furniture & Fixtures                                                                                         | 10 Years                     |
|     | Air Conditioners                                                                                             | 8 Years                      |
|     | Vehicles                                                                                                     | 5 Years                      |

In respect of assets acquired during the year (for domestic operations), depreciation is charged on proportionate basis for the number of days the assets have been put-to-use during the year.

Assets costing less than ₹ 1,000 each are charged off in the year of purchase.

In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease (except for premises and land on perpetual lease) and lease payments for assets taken on operating lease are recognised as expense in the Profit & Loss account over the lease term on straight line basis.

In respect of fixed assets held at foreign offices, depreciation is provided as per the regulations / norms of the respective countries.

Our Bank revalue freehold immovable assets at every three years. The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to General Reserve. The revalued asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

### **Impairment of Assets**

Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

### **Effect of changes in the foreign exchange rate**

#### **Foreign Currency Transactions**

Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.

Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (“**FEDAI**”) closing (spot/ forward) rates.

Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.

Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognised in the Profit and Loss Account.

Foreign Currency Forward or Future Contract entered to hedge payment of a monetary asset or a liability and a Currency Swap Contract (principal only; no interest rate element) that hedges the repayment of principal of foreign currency loan are revalued at the closing spot rate and exchange difference on such contracts is recognised in Profit and Loss Account. The premium or discount arising at the inception of these contracts is amortised as expense or income over the life of the contract. Any Profit or Loss arising on cancellation or renewal of such contracts is recognised as income or expense for the period.

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

Gains / Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/ losses are recognised in the Profit and Loss Account.

### ***Foreign Operations***

Foreign Branches of the Bank and Offshore Banking Units (OBU) have been classified as non-integral operations and representative offices have been classified as integral operations.

#### ***Non-integral Operations:***

- i. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- ii. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.
- iii. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.
- iv. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country on the balance sheet date.

#### ***Integral Operations***

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- ii. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/ Forward) exchange rates notified by FEDAI at the balance sheet date and the resulting Profit/ Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.
- iii. Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

### **Employee Benefits**

#### ***Short-term Employee Benefits***

The undiscounted amounts of short-term employee benefits, such as medical benefits which are expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

#### ***Long-term Employee Benefits***

##### ***Defined Benefit Plans***

- i. Our Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under our Bank's Provident Fund scheme. Our Bank contributes to the fund at 10% of employee's basic pay plus eligible allowance monthly. These contributions are remitted to a trust established for this purpose and are charged to Profit and Loss Account. Our Bank recognises such annual contributions as an expense in the year to which it relates. Shortfall, if any, is provided for based on actuarial valuation.
- ii. Our Bank operates gratuity and pension schemes which are defined benefit plans.
  - Our Bank provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the statutory authorities or service gratuity without cap for erstwhile associate bank's employees. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by trustees based on an independent external actuarial valuation carried out annually.
  - Our Bank provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment.

Vesting occurs at different stages as per rules. Our Bank makes monthly contribution to the Pension Fund at 10% of salary in terms of SBI Employees' Pension Fund Regulations, 2014. The pension liability is reckoned based on an independent actuarial valuation carried out annually and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension fund regulations.

- iii. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains/ losses are immediately recognised in the Profit and Loss Account and are not deferred.

#### *Defined Contribution Plan*

The defined contribution plan i.e. a New Pension Scheme ("NPS") is applicable from for all officers/ employees joining the Bank on or after August 1, 2010. As per the scheme, these employees contribute 10% of their basic pay plus dearness allowance to the scheme together with our Bank's contribution at 14% of basic pay plus dearness allowance. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in our Bank and earn interest at the rate applicable to provident fund balance. Our Bank recognises such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

#### *Other Long Term Employee Benefits*

- i. All eligible employees of the Bank are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long- term employee benefits are internally funded by the Bank.
- ii. The cost of providing other long-term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost, if any, is immediately recognised in the Profit and Loss Account and is not deferred.

Employee benefits relating to employees employed at foreign offices are valued and accounted for as per the respective local laws/ regulations.

### **Segment Reporting**

Our Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India (ICAI).

### **Taxes on Income**

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by our Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – "Accounting for Taxes on Income" respectively after considering taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions. Deferred Tax adjustments comprise of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the Profit and Loss account. Deferred tax assets are recognised and re-assessed at each reporting date, based upon our Bank's management's judgment as to whether their realisation is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

### **Earnings Per Share**

Our Bank reports basic and diluted earnings per share in accordance with AS 20 – "Earnings Per Share" issued by Institute of Chartered Accountants of India (ICAI). Basic earnings per share are computed by dividing the Net Profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

## **Provisions, Contingent Liabilities and Contingent Assets**

In conformity with Accounting Standard 29, “Provisions, Contingent Liabilities and Contingent Assets”, issued by the Institute of Chartered Accountants of India, our Bank recognises provisions only when it has a present obligation because of a past event, and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

No provision is recognised for:

- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of our Bank; or
- ii. any present obligation that arises from past events but is not recognised because:
  - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as contingent liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Provision for reward points in relation to the “Enterprise- Wide Loyalty Programme” of our Bank is being provided for on the basis of actuarial estimates.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, our Bank recognises any impairment loss on the assets associated with that contract.

Contingent Assets are not recognised in the financial statements.

## **Bullion Transactions**

Our Bank imports bullion, including precious metal bars, on a consignment basis to sell to customers. These imports are usually back-to-back and priced based on the supplier’s quoted rate. Our Bank earns a fee from these transactions, which is recorded as commission income.

Our Bank also accepts gold deposits and provides gold loans, which are treated as deposits and advances, respectively. Interest paid or received on these is recorded as interest expense or income.

Gold deposits, metal loan advances, and closing gold balances are valued at the market rate available on the Balance Sheet date.

## **Special Reserve**

Revenue and other Reserve include special reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors of our Bank has passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

## **Capital Reserve**

Profit on sale of investments in the HTM category; sale / reclassification of an investment in a subsidiary, associate or joint venture and sale of fixed assets are appropriated to capital reserve (net of applicable taxes and amount required to be transferred to statutory reserve).

Any gain or loss on sale of equity instruments designated under AFS is transferred from AFS-Reserve to the Capital Reserve (net of applicable taxes and amount required to be transferred to Statutory Reserve). As against this, gain or loss on sale of debt instruments in AFS category is transferred from AFS-Reserve to the Profit & Loss Account.

## **Share Issue Expenses**

Share issue expenses are charged to the Share Premium Account.

## Cash and Cash Equivalents

Cash and cash equivalents include Cash and Balances with RBI, balances with banks and money at call and short notice.

## COMPONENTS OF INCOME AND EXPENDITURE

### Income

#### Interest Earned

Interest earned consists of interest/ discount on advances and bills, income on investments, interest on balances with Reserve Bank of India and other inter-bank funds and other interest earned. Income from investments consists of interest on investments in India and outside India. Our securities portfolio consists primarily of Government securities, debentures and bonds and equity shares. We also have investments in our subsidiaries, joint ventures, and associates. On the balances that we maintain with RBI to meet our cash reserve requirements, we do not receive any interest.

#### Other Income

Our non-interest income consists of (i) commission, exchange and brokerage, (ii) profit on the sale of investments, (iii) profit/loss on revaluation of investments, (iv) profit/ loss on the sale of land, buildings and other assets (v) profit on exchange transactions, (vi) income earned by way of dividend etc. from subsidiaries/ companies and/or joint ventures abroad/in India, and (vii) miscellaneous income, which primarily includes recoveries in assets written off.

### Expenditure

#### Interest Expended

Our interest expended includes interest on deposits, interest on RBI and inter-bank borrowings and other interest, such as, Tier I, Tier II and long term bond interest.

#### Operating Expenses

Our operating expenses include, among others, (i) payments to and provision for employees, (ii) rent, taxes and lighting, (iii) printing and stationery, (iv) advertisement and publicity, (v) depreciation/ amortization on our Bank's property, (vi) directors' fees, allowances and expenses (vii) auditors' fee and expenses, (viii) law charges, (ix) postage, telegrams, telephones, etc., (x) repairs and maintenance, (xi) insurance, and (xii) other expenditure.

#### Provisions and Contingencies

Our provisions and contingencies consist of (i) provision made towards income tax, (ii) provision towards NPAs (net), (iii) provision for non-performing investments (net), (iv) provision towards standard assets, and (v) other provisions which include provisions and contingencies towards restructured advances.

## RESULTS OF OPERATIONS

### FISCAL 2025 COMPARED TO FISCAL 2024

The following table sets forth certain information with respect to our Bank's results of operations on a standalone basis for Fiscals 2024 and 2025:

|                                                     | Fiscal      |          |
|-----------------------------------------------------|-------------|----------|
|                                                     | 2024        | 2025     |
|                                                     | (₹ billion) |          |
| <b>Income</b>                                       |             |          |
| Interest earned                                     | 4,151.31    | 4,624.89 |
| Other income                                        | 516.82      | 616.83   |
| <b>Total Income</b>                                 | 4,668.13    | 5,241.72 |
| <b>Expenditure</b>                                  |             |          |
| Interest expended                                   | 2,552.55    | 2,955.24 |
| Operating expenses                                  | 1,248.61    | 1,180.69 |
| Provisions and contingencies (including income tax) | 256.21      | 396.79   |
| <b>Total expenses</b>                               | 4,057.36    | 4,532.72 |

|                                          | Fiscal      |        |
|------------------------------------------|-------------|--------|
|                                          | 2024        | 2025   |
|                                          | (₹ billion) |        |
| <b>Net profit/ (loss) for the period</b> | 610.77*     | 709.01 |

\* Payment to and provisions for employees includes exceptional items for provision amounting to ₹ 71.00 billion for Fiscal 2024 which was NIL for Fiscal 2025.

## Income

### Interest Earned

Total interest earned increased by 11.41% from ₹ 4,151.31 billion in Fiscal 2024 to ₹ 4,624.89 billion in Fiscal, 2025. This increase was primarily attributable due to an increase in (i) interest on advances by 14.09% from ₹ 2,897.84 billion in Fiscal 2024, to ₹ 3,306.27 billion in Fiscal 2025, primarily due to an increase in gross advances by 12.03% during the same period; (ii) income on investments by 5.88% from ₹ 1,086.41 billion in Fiscal 2024 to ₹ 1,150.31 billion in Fiscal 2025 on account of an increase in our Bank's average investments and an increase in yield on investments by 21 basis points from 7.00% in Fiscal 2024 to 7.21% in Fiscal 2025; and (iii) other interest income that increased by 6.88% from ₹ 116.16 billion in Fiscal 2024 to ₹ 124.15 billion in Fiscal 2025.

### Other Income

Other income increased by 19.35% from ₹ 516.82 billion in Fiscal 2024 to ₹ 616.83 billion in Fiscal 2025. This was primarily due to an increase in (i) fee-based income by 9.93% from ₹ 281.26 billion in Fiscal 2024 to ₹ 309.19 billion in Fiscal 2025; (ii) exchange/ derivative transactions (net) by 155.33 % from ₹ 17.15 billion in Fiscal to ₹ 43.79 billion in Fiscal 2025; (iii) sale of investments (net) by 42.83 % from ₹ 68.97 billion in Fiscal 2024 to ₹ 98.50 billion in Fiscal 2025; and (iv) the recovery in written off accounts by 15.41% from ₹ 69.34 billion in Fiscal 2024 to ₹ 80.02 billion in Fiscal 2025.

## Expenditure

### Interest Expended

Total interest expended increased by 15.78% from ₹ 2,552.55 billion in Fiscal 2024 to ₹ 2,955.24 billion in Fiscal 2025. This increase was primarily attributable due to (i) an increase in interest on deposits by 16.15% from ₹ 2,214.60 billion in Fiscal 2024 to ₹ 2,572.28 billion in Fiscal 2025 due to an increase in our Bank's total deposits by 9.48% in Fiscal 2025; (ii) an increase in interest on the RBI/ interbank borrowings by 13.83% from ₹ 224.44 billion in Fiscal 2024 to ₹ 255.47 billion in Fiscal 2025 on account of borrowings made under long-term repo operations, i.e., option given to banks for long-term borrowings from the RBI at the repo rate and (iii) an increase in interest expended on others by 12.32% from ₹ 113.51 billion in Fiscal 2024 to ₹ 127.50 billion in Fiscal 2025 due to an increase in interest paid on bonds.

### Operating Expenses

Operating expenses decreased by 5.44% from ₹ 1,248.61 billion in Fiscal 2024 to ₹ 1,180.69 billion in Fiscal 2025. This decrease was primarily attributable due to a decrease in payments to and provisions for employees by 17.85% from ₹ 783.37 billion in Fiscal 2024 to ₹ 643.52 billion in Fiscal 2025.

### Provisions and Contingencies (including income tax)

Provisions and contingencies increased by 54.87% from ₹ 256.21 billion in Fiscal 2024 to ₹ 396.79 billion in Fiscal 2025. These provisions mainly include provision towards NPAs, provision towards standard assets, provision on restructured assets, provision for depreciation on investment, provisions made towards income tax and other provisions and contingencies. The decrease in provision and contingencies was primarily due to the improving asset quality which reduced the need for provisions for NPAs by 9.51% from ₹ 632.25 billion in Fiscal 2024 to ₹ 572.13 billion in Fiscal 2025.

### Net Profit/ (Loss) for the Period

As a result of the reasons discussed above, we recorded an increase in net profit from ₹ 610.77 billion in Fiscal 2024 to ₹ 709.01 billion in Fiscal 2025.

## FISCAL 2024 COMPARED TO FISCAL 2023

The following table sets forth certain information with respect to our Bank's results of operations on a standalone basis for Fiscals 2023 and 2024:

|                                          | Fiscal          |                 |
|------------------------------------------|-----------------|-----------------|
|                                          | 2023            | 2024            |
|                                          | (₹ billion)     |                 |
| <b>Income</b>                            |                 |                 |
| Interest earned                          | 3,321.03        | 4,151.31        |
| Other income                             | 366.16          | 516.82          |
| <b>Total Income</b>                      | <b>3,687.19</b> | <b>4,668.13</b> |
| <b>Expenditure</b>                       |                 |                 |
| Interest expended                        | 1,872.63        | 2,552.55        |
| Operating expenses                       | 977.43          | 1,248.61        |
| Provisions and contingencies             | 334.81          | 256.21          |
| <b>Total expenses</b>                    | <b>3,184.86</b> | <b>4,057.36</b> |
| <b>Net profit/ (loss) for the period</b> | <b>502.32</b>   | <b>610.77*</b>  |

\* Payment to and provisions for employees includes exceptional items for provision amounting to ₹ 71.00 billion for Fiscal 2024 which was NIL for Fiscal 2023.

## Income

### Interest Earned

Total interest earned increased by 25.00% from ₹ 3,321.03 billion in Fiscal 2023 to ₹ 4,151.31 billion in Fiscal 2024. This increase was primarily attributable due to an increase in (i) interest/ discount on advances/ bills by 30.89% from ₹ 2,214.01 billion in Fiscal 2023 to ₹ 2,897.84 billion in Fiscal 2024 primarily due to an increase in gross advances by 15.24%, and a decrease in non-performing assets from 2.78% in Fiscal 2023 to 2.24% in Fiscal 2024; (ii) income on investments by 13.25% from ₹ 959.28 billion in Fiscal 2023 to ₹ 1,086.41 billion in Fiscal 2024 on account of an increase in our Bank's total investments by 6.43% and an increase in yield on investments by 49 basis points from 6.51% in Fiscal 2023 to 7.00% in Fiscal 2024; and (iii) interest on balances with the Reserve Bank of India and other inter-bank funds by 45.81% from ₹ 34.91 billion in Fiscal 2023 to ₹ 50.90 billion in Fiscal 2024.

### Other Income

Other income increased by 41.15% from ₹ 366.16 billion in Fiscal 2023 to ₹ 516.82 billion in Fiscal 2024. This was primarily due to an increase in (i) commission, exchange and brokerage by 7.17% from ₹ 262.45 billion in Fiscal 2023 to ₹ 281.26 billion in Fiscal 2024; (ii) profit/loss on sale/revaluation of investments from ₹ (13.54) billion in Fiscal 2023 to ₹ 118.36 billion in Fiscal 2024 on account of increase in trading profit due to management of investment portfolio aided by favourable market conditions, such as the market movement of 10-year Government Securities allowing opportunities for banks to generate profit from trading in bonds as well as higher returns within the equity space in both the secondary and primary markets; and (iii) income earned by way of dividends from subsidiaries/ companies and/ or joint ventures in India and abroad, by 129.47% from ₹ 8.55 billion in Fiscal 2023 to ₹ 19.62 billion in Fiscal 2024 primarily due to improved financials of Subsidiaries and JVs.

This increase was partially offset by a decrease in (i) profit on sale of land, buildings and other assets by 10.0% from ₹ (0.30) billion in Fiscal 2023 to ₹ (0.33) billion in Fiscal 2024; and (ii) profit on exchange transactions by 41.43% from ₹ 29.28 billion in Fiscal 2023 to ₹ 17.15 billion in Fiscal 2024 primarily due to unfavorable market conditions, especially tighter liquidity condition in the Indian Rupee. There was an increase in miscellaneous income by 1.32% from ₹ 79.72 billion in Fiscal 2023 to ₹ 80.77 billion in Fiscal 2024.

## Expenditure

### Interest Expended

Total interest expended increased by 36.31% from ₹ 1,872.63 billion in Fiscal 2023 to ₹ 2,552.55 billion in Fiscal 2024. This increase was primarily attributable due to (i) an increase in interest on deposits by 36.35% from ₹ 1,624.18 billion in Fiscal 2023 to ₹ 2,214.60 billion in Fiscal 2024 due to an increase in our Bank's total deposits by 11.13% in Fiscal 2024; (ii) an increase in interest on the RBI/ interbank borrowings by 24.13% from ₹ 180.80 billion in Fiscal 2023 to ₹ 224.44 billion in Fiscal 2024 on account of borrowings made under long-term repo operations, i.e., option given to banks for long-term borrowings from the RBI at the repo rate; and (iii) an increase in Other interest expenditure by 67.81% from ₹ 67.64 billion in Fiscal 2023 to ₹ 113.51 billion in Fiscal 2024.



## Operating Expenses

Operating expenses increased by 27.74% from ₹ 977.43 billion in Fiscal 2023 to ₹ 1,248.61 billion in Fiscal 2024. This increase was primarily attributable to (i) payments to and provisions for employees, which increased by 36.73% from ₹ 572.92 billion in Fiscal 2023 to ₹ 783.37 billion in Fiscal 2024; (ii) law charges, which increased by 27.48% from ₹ 2.72 billion in Fiscal 2023 to ₹ 3.46 billion in Fiscal 2024; (iii) postage, telegrams, telephones related costs which increased by 23.41% from ₹ 5.37 billion in Fiscal 2023 to ₹ 6.62 billion in Fiscal 2024; (iv) other expenditure, which increased by 19.93% from ₹ 225.15 billion in Fiscal 2023 to ₹ 270.03 billion in Fiscal 2024 due to wage settlements for bank employees; and (v) an increase in advertisement and publicity expenses by 64.61% from ₹ 3.23 billion in Fiscal 2023 to ₹ 5.32 billion in Fiscal 2024 due to an increase in marketing activities in Fiscal 2024.

## Provisions and Contingencies (including income tax)

Provisions and contingencies decreased by 23.48% from ₹ 334.81 billion in Fiscal 2023 to ₹ 256.21 billion in Fiscal 2024. These provisions mainly include provision towards NPAs, provision towards standard assets, provision on restructured assets, provision for depreciation on investment, provisions made towards income tax and other provisions and contingencies. The decrease in provision and contingencies was primarily due to the improving asset quality.

## Net Profit/ (Loss) for the Period

As a result of the reasons discussed above, we recorded an increase by 21.59% in net profit from ₹ 502.32 billion in Fiscal 2023 to ₹ 610.77 billion in Fiscal 2024.

## FINANCIAL CONDITION

### Assets

The table below sets out the principal components of our Bank's assets as of the dates indicated:

|                                                       | As of March 31,  |                  |                  |
|-------------------------------------------------------|------------------|------------------|------------------|
|                                                       | 2023             | 2024             | 2025             |
|                                                       | (₹ billion)      |                  |                  |
| Cash and balances with the RBI                        | 2,470.88         | 2,251.42         | 2,272.17         |
| Balance with banks and money at call and short notice | 608.12           | 856.60           | 1,130.12         |
| Investments                                           | 15,703.66        | 16,713.40        | 16,905.73        |
| Advances                                              | 31,992.69        | 37,039.71        | 41,633.12        |
| Fixed assets                                          | 423.82           | 426.17           | 441.08           |
| Other assets                                          | 3,970.62         | 4,509.64         | 4,378.31         |
| <b>Total assets</b>                                   | <b>55,169.79</b> | <b>61,796.94</b> | <b>66,760.53</b> |

Total assets increased by 8.03% from ₹ 61,796.94 billion as of March 31, 2024 to ₹ 66,760.53 billion as of March 31, 2025. This increase was due to (i) an increase in investments (which includes our Bank's equity interest in its subsidiaries, joint ventures and associates) by 1.15% from ₹ 16,713.40 billion as of March 31, 2024 to ₹ 16,905.73 billion as of March 31, 2025; (ii) an increase in advances by 12.40% from ₹ 37,039.71 billion as of March 31, 2024 to ₹ 41,633.12 billion as of March 31, 2025; and (iii) an increase in fixed assets by 3.50% from ₹ 426.17 billion as of March 31, 2024 to ₹ 441.08 billion as of March 31, 2025; (iv) an increase in balance with banks and money at call and short notice by 31.93% from ₹ 856.60 billion as of March 31, 2024 to ₹ 1,130.12 billion as of March 31, 2025; and (v) an increase in cash and balances with the RBI by 0.92% from ₹ 2,251.42 billion as of March 31, 2024 to ₹ 2,272.17 billion as of March 31, 2025. This was partially offset by a decrease in other assets by 2.91% from ₹ 4,509.64 billion as of March 31, 2024 to ₹ 4,378.31 billion as of March 31, 2025.

Total assets increased by 12.01% from ₹ 55,169.79 billion as of March 31, 2023 to ₹ 61,796.94 billion as of March 31, 2024. This increase was primarily due to (i) an increase in investments (which includes our Bank's equity interest in its subsidiaries, joint ventures and associates) by 6.43% from ₹ 15,703.66 billion as of March 31, 2023 to ₹ 16,713.40 billion as of March 31, 2024; (ii) an increase in advances by 15.78% from ₹ 31,992.69 billion as of March 31, 2023 to ₹ 37,039.71 billion as of March 31, 2024; and (iii) an increase in fixed assets by 0.56% from ₹ 423.82 billion as of March 31, 2023 to ₹ 426.17 billion as of March 31, 2024; (iv) an increase in balance with banks and money at call and short notice by 40.86% from ₹ 608.12 billion as of March 31, 2023 to ₹ 856.60 billion as of March 31, 2024; and (v) an increase in other assets by 13.58% from ₹ 3,970.62 billion as of March 31, 2023 to ₹ 4,509.64 billion as of March 31, 2024. This was partially offset by a decrease in cash and balances with the RBI by 8.88% from ₹ 2,470.88 billion as of March 31, 2023 to ₹ 2,251.42 billion as of March 31, 2024.

### Advances

The following table sets forth a breakdown of our Bank's gross advances as of the dates indicated:

|                                      | As of March 31,  |                |                  |                |                  |                |
|--------------------------------------|------------------|----------------|------------------|----------------|------------------|----------------|
|                                      | 2023             |                | 2024             |                | 2025             |                |
|                                      | (₹ billion)      | % of total     | (₹ billion)      | % of total     | (₹ billion)      | % of total     |
| SME loans                            | 3,592.70         | 10.99%         | 4,330.37         | 11.49%         | 5,060.27         | 11.99%         |
| Agriculture loans                    | 2,586.12         | 7.91%          | 3,049.44         | 8.09%          | 3,485.24         | 8.26%          |
| Retail loans                         | 11,791.52        | 36.07%         | 13,522.65        | 35.89%         | 15,064.77        | 35.69%         |
| Corporate and others                 | 9,797.68         | 29.97%         | 11,382.02        | 30.21%         | 12,405.92        | 29.39%         |
| <b>Total Gross domestic advances</b> | <b>27,768.02</b> | <b>84.94%</b>  | <b>32,284.48</b> | <b>85.69%</b>  | <b>36,016.20</b> | <b>85.33%</b>  |
| International loans                  | 4,924.40         | 15.06%         | 5,390.86         | 14.31%         | 6,190.83         | 14.67%         |
| <b>Total Gross advances</b>          | <b>32,692.42</b> | <b>100.00%</b> | <b>37,675.35</b> | <b>100.00%</b> | <b>42,207.03</b> | <b>100.00%</b> |

Gross advances consist of bills purchased and discounted, cash credit, overdrafts and loans repayable on demand, and term loans.

Our Bank's gross advances increased by 12.03% from ₹ 37,675.35 billion as of March 31, 2024 to ₹ 42,207.03 billion as of March 31, 2025. This increase was primarily due to increase in retail loans which increased by 11.40% from ₹ 13,522.65 billion as of March 31, 2024 to ₹ 15,064.77 billion as of March 31, 2025.

Our Bank's gross advances increased by 15.24% from ₹ 32,692.42 billion as of March 31, 2023 to ₹ 37,675.35 billion as at March 31, 2024. This increase was primarily due to increase in retail loans which increased by 14.68% from ₹ 11,791.52 billion as of March 31, 2023 to ₹ 13,522.65 billion as of March 31, 2024.

### Investments

Our Bank's investments primarily represent investments in government securities and other approved securities, investments in debt instruments such as debentures and bonds of highly rated public sector undertakings and corporates, investments in equity shares, security receipts, short term money market instruments such as commercial paper, certificates of deposits and investments in Subsidiaries and Associates.

Net Investments increased by 1.15% from ₹ 16,713.40 billion as of March 31, 2024 to ₹ 16,905.73 billion as of March 31, 2025. The increase was in line with the normal business growth and investment under the statutory liquidity ratio category. Net investments outside India increased by 11.96% from ₹ 662.56 billion as of March 31, 2024 to ₹ 741.83 billion as of March 31, 2025 primarily due to other investments (shares, debentures, etc.).

Net Investments increased by 6.43% from ₹ 15,703.66 billion as of March 31, 2023 to ₹ 16,713.40 billion as of March 31, 2024. The increase was in line with the normal business growth and investment under the statutory liquidity ratio category. Net Investments outside India also increased by 7.86% from ₹ 614.30 billion as of March 31, 2023 to ₹ 662.56 billion as of March 31, 2024. This increase was primarily due to an increase, largely comprising of (i) government securities that increased by 5.39% from ₹ 300.59 billion as of March 31, 2023 to ₹ 316.80 billion as of March 31, 2024 and (ii) other investments (shares, debentures, etc.) by 12.48% from ₹ 256.91 billion as of March 31, 2023 to ₹ 288.96 billion as of March 31, 2024. This increase was partially offset by a decrease in debentures and bonds in India by 16.75% from ₹ 2,133.93 billion as of March 31, 2023 to ₹ 1,776.47 billion as of March 31, 2024.

### Balances with Banks and Money at Call and Short Notice

Balances with Banks and Money at Call and Short Notice was ₹ 1,130.12 billion as of March 31, 2025 compared to ₹ 856.60 billion as of March 31, 2024. The increase in the year ended March 31, 2025 was primarily driven by an increase in balances in other current accounts outside India by 108.02% from ₹ 446.01 billion as of March 31, 2024 to ₹ 927.77 billion as of March 31, 2025. This was offset by decrease in money at call and short notice in India by 73.23% from ₹ 298.17 billion as of March 31, 2024 to ₹ 79.81 billion as of March 31, 2025.

Balances with Banks and Money at Call and Short Notice were ₹ 856.60 billion as of March 31, 2024 compared to ₹ 608.12 billion as of March 31, 2023. The increase was primarily driven by an increase of 283.72% in money at call and short notice in India from ₹ 77.70 billion as of March 31, 2023 to ₹ 298.17 billion as of March 31, 2024. This was offset by an increase in balances with banks outside India by 5.28% from ₹ 530.42 billion as of March 31, 2023 to ₹ 558.44 billion as of March 31, 2024.

### Other Assets

Other assets primarily include interest accrued, tax paid in advance/ tax deducted at source (net), stationery and stamps, non-banking assets acquired in satisfaction of claims, others and deferred tax assets (net).

Other assets amounted to ₹ 4,378.31 billion as of March 31, 2025 compared to ₹ 4,509.64 billion as of March 31, 2024. The decrease as of March 31, 2025 was due to a decrease in heads such as Deferred Tax Assets (Net) by 18.78% from ₹114.31 billion as of March 31, 2024 to ₹ 92.84 billion as of March 31, 2025 and other items such as deposits placed with National Bank for Agriculture and Rural Development/ Small Industries Development Bank of India/National Housing Board by 11.61% from ₹ 3,663.73 billion as of March 31, 2024 to ₹ 3,238.37 billion as of March 31, 2025.

Other assets amounted to ₹ 4,509.64 billion as of March 31, 2024 compared to ₹ 3,970.62 billion as of March 31, 2023. The increase as of March 31, 2024 was due to an increase in (i) tax paid in advance/tax deducted at source by 43.13% from ₹ 165.17 billion as of March 31, 2023 to ₹ 236.40 billion as of March 31, 2024 mainly on account of income tax/advance tax paid in national banking group operations during Fiscal 2024 (ii) interest accrued by 16.67% from ₹ 391.91 billion as of March 31, 2023 to ₹ 457.25 billion as of March 31, 2024 and (iii) others by 10.76% from ₹ 3,307.96 billion as of March 31, 2023 to ₹ 3,663.73 billion as of March 31, 2024 mainly on account of deposits placed with National Bank for Agriculture and Rural Development/ Small Industries Development Bank of India/National Housing Board.

## Liabilities

The table below sets out the principal components of our Bank's shareholders' funds and liabilities as of the dates indicated:

|                                  | As of March 31,  |                  |                  |
|----------------------------------|------------------|------------------|------------------|
|                                  | 2023             | 2024             | 2025             |
|                                  | (₹ billion)      |                  |                  |
| Capital                          | 8.92             | 8.92             | 8.92             |
| Reserves and surplus             | 3,267.16         | 3,763.54         | 4,402.70         |
| Deposits                         | 44,237.78        | 49,160.77        | 53,821.90        |
| Borrowings                       | 4,931.35         | 5,975.61         | 5,635.73         |
| Other liabilities and provisions | 2,724.57         | 2,888.10         | 2,891.29         |
| <b>Total Liabilities</b>         | <b>55,169.79</b> | <b>61,796.94</b> | <b>66,760.53</b> |

Total liabilities amounted to ₹ 66,760.53 billions as of March 31, 2025 compared to ₹ 61,796.94 billions as of March 31, 2024. Total liabilities amounted to ₹ 61,796.94 billions as of March 31, 2024 compared to ₹ 55,169.79 billions as of March 31, 2023. The increase in total liabilities as of March 31, 2024 and March 31, 2025 was primarily on account of increase in deposits.

## Deposits

The following table sets forth a breakdown of our Bank's deposits, as well as the percentage of total deposits that each item contributes, as of the dates indicated:

|                                  | As of March 31,        |                                           |                        |                                           |                        |                                           |
|----------------------------------|------------------------|-------------------------------------------|------------------------|-------------------------------------------|------------------------|-------------------------------------------|
|                                  | 2023                   |                                           | 2024                   |                                           | 2025                   |                                           |
|                                  | Amount<br>(₹ billions) | Percentage<br>of total<br>deposits<br>(%) | Amount<br>(₹ billions) | Percentage<br>of total<br>deposits<br>(%) | Amount<br>(₹ billions) | Percentage<br>of total<br>deposits<br>(%) |
| Demand deposits (Current )       | 2,814.38               | 6.62%                                     | 2,870.43               | 6.08%                                     | 3,645.93               | 7.06%                                     |
| Savings bank deposits            | 15,814.66              | 37.18%                                    | 16,549.53              | 35.03%                                    | 17,005.68              | 32.91%                                    |
| Term deposits                    | 23,906.67              | 56.20%                                    | 27,823.40              | 58.89%                                    | 31,017.02              | 60.03%                                    |
| <b>Total deposits - Domestic</b> | <b>42,535.71</b>       | <b>100%</b>                               | <b>47,243.36</b>       | <b>100%</b>                               | <b>51,668.63</b>       | <b>100%</b>                               |

Deposits mainly comprise demand deposits, savings bank deposits and term deposits.

Domestic deposits increased by 9.37% from ₹ 47,243.36 billion as of March 31, 2024 to ₹ 51,668.63 billion as of March 31, 2025 primarily due to increase in term deposits by 11.48% from ₹ 27,823.40 billion as of March 31, 2024 to ₹ 31,017.02 billion as of March 31, 2025. There was also an increase in current account deposits by 27.02% from ₹ 2,870.43 billion as of March 31, 2024 to ₹ 3,645.93 billion as of March 31, 2025.

Domestic deposits increased by 11.07% from ₹ 42,535.71 billion as of March 31, 2023 to ₹ 47,243.36 billion as of March 31, 2024 primarily due to an increase in term deposits by 16.38% from ₹ 23,906.67 billion as of March 31, 2023 to ₹ 27,823.40 billion as of March 31, 2024.

## Borrowings

Borrowings mainly comprise borrowings from the RBI, banks, institutions, agencies and unsecured redeemable debt.

Our Bank's borrowings decreased by 5.69% from ₹ 5,975.61 billion as of March 31, 2024 to ₹ 5,635.73 billion as of March 31, 2025, primarily attributable to a decrease in (i) borrowings from Reserve Bank of India by 80.19% from ₹ 973.99 billion as of March 31, 2024 to ₹ 192.98 billion as of March 31, 2025; and (ii) borrowings from other institutions and agencies in India decreased by 100.00% from ₹ 578.17 billion as of March 31, 2024 to Nil as of March 31, 2025. This decrease was partially offset by an increase in borrowing outside India by 21.34% from ₹ 3,088.26 billion as of March 31, 2024 to ₹ 3,747.18 billion as of March 31, 2025 and an increase in Bonds & Debentures (Other than Capital Instruments) by 75.53% from ₹ 397.18 billion as of March 31, 2024 to ₹ 697.18 billion as of March 31, 2025.

Our Bank's borrowings increased by 21.18% from ₹ 4,931.35 billion as of March 31, 2023 to ₹ 5,975.61 billion as of March 31, 2024, primarily attributable to an increase in (i) borrowings from Reserve Bank of India by 290.28% from ₹ 249.56 billion as of March 31, 2023 to ₹ 973.99 billion as of March 31, 2024; (ii) borrowings from Bonds & Debentures (Other than Capital Instruments) by 101.43% from ₹ 197.18 billion as of March 31, 2023 to ₹ 397.18 billion as of March 31, 2024 and (iii) borrowing outside India by 14.04% from ₹ 2,708.06 billion as of March 31, 2023 to ₹ 3,088.26 billion as of March 31, 2024. This increase was partially offset by a decrease in (i) borrowings from other institutions and agencies in India by 34.58% from ₹ 883.72 billion as of March 31, 2023 to ₹ 578.17 billion as of March 31, 2024.

### Other Liabilities and Provisions

Other liabilities and provisions represent bills payable, interest accrued, deferred tax liability and other provisions.

Other liabilities and provisions increased by 0.11% from ₹ 2,888.10 billion as of March 31, 2024 to ₹ 2,891.29 billion as of March 31, 2025, primarily due to an increase in (i) bills payable by 76.85% from ₹ 156.64 billion as of March 31, 2024 to ₹ 277.01 billion as of March 31, 2025; (ii) interest accrued by 19.04% from ₹ 323.16 billion as of March 31, 2024 to ₹ 384.68 billion as of March 31, 2025 and (iii) derivative liabilities by 179.07% from ₹ 71.06 billion as of March 31, 2024 to ₹ 198.31 billion as of March 31, 2025. This increase in Fiscal 2025 was partially offset by decrease in others (including provisions) by 12.69% from ₹ 2,325.90 billion as of March 31, 2024 to ₹ 2,030.74 billion as of March 31, 2025.

Other liabilities and provisions increased by 6.00% from ₹ 2,724.57 billion as of March 31, 2023 to ₹ 2,888.10 billion as of March 31, 2024, primarily due to an increase in (i) interest accrued by 19.56% from ₹ 270.29 billion as of March 31, 2023 to ₹ 323.16 billion as of March 31, 2024; and (ii) others (including provisions) by 8.83% from ₹ 2,137.21 billion as of March 31, 2023 to ₹ 2,325.90 billion as of March 31, 2024. This increase in Fiscal 2024 was partially offset by decrease in Bills payable by 42.75% from ₹ 273.60 billion as of March 31, 2023 to ₹ 156.64 billion as of March 31, 2024.

For further information, see "Financial Statements" and "Risk Factors – Risk relating to our Business – Weakness or failures of our internal control system may cause significant operational errors, which may in turn materially and adversely affect our business and the price of the Equity Shares." on pages 263 and 37, respectively.

### Divergence in Asset Classification and Provisioning

The RBI assesses the compliance by banks with the extant prudential norms on income recognition, asset classification and provisioning ("IRACP") as part of its supervisory processes. As per RBI Master Direction on Financial Statements – Presentation and Disclosures No. DOR.ACC.REC.N0.45/21.04.018/2021-22 dated August 30, 2021 (updated as on April 1, 2025), banks shall make suitable disclosures as tabulated below, if either or both of the following conditions are satisfied:

- (i) The additional provisioning for NPAs assessed by the RBI as part of its supervisory process exceeds 5% of the reported profit before provisions and contingencies for the reference period; and
- (ii) The additional gross NPAs identified by RBI as part of its supervisory process exceed 5% of the reported incremental Gross NPAs for the reference period.

There has been no divergence in respect of provision and NPAs for the Fiscals 2023, 2024 and 2025, respectively.

### LIQUIDITY AND CAPITAL RESOURCES

Our Bank regularly monitors its funding levels to ensure that it is able to satisfy requirements of loan disbursements and those that would arise upon maturity of liabilities. Our Bank maintains diverse sources of funding and liquid assets to facilitate flexibility in meeting its liquidity requirements.

## CASH FLOWS

The following table sets forth our Bank's statement of cash flows for the periods indicated:

| Particulars                                   | Fiscal 2023 | Fiscal 2024 | Fiscal 2025 |
|-----------------------------------------------|-------------|-------------|-------------|
|                                               | (₹ billion) |             |             |
| Net cash from/ (used in) operating activities | (913.52)    | 190.22      | 458.60      |
| Net cash from/ (used in) investing activities | (32.97)     | (30.53)     | (20.12)     |
| Net cash from/ (used in) financing activities | 52.02       | (138.55)    | (163.27)    |
| Net change in cash and cash equivalents       | (866.53)    | 29.02       | 294.28      |

### *Operating Activities*

#### **Fiscal 2025**

Net cash from operating activities was ₹ 458.60 billion in Fiscal 2025. Profit before tax in Fiscal 2025 amounted to ₹ 952.71 billion with the primary adjustments consisting of provision for NPAs of ₹ 144.18 billion in Fiscal 2025. The main working capital adjustments towards increase in cash flow in Fiscal 2025 included an increase in advances of ₹ 4,737.60 billion and a decrease in borrowings of ₹ 400.27 billion and a decrease in other liabilities of ₹ 41.05 billion in Fiscal 2025, and taxes paid amounted to ₹ 307.53 billion in Fiscal 2025.

#### **Fiscal 2024**

Net cash from operating activities was ₹ 190.22 billion in Fiscal 2024. Profit before tax in Fiscal 2024 amounted to ₹ 817.83 billion with the primary adjustments consisting of provision for NPAs of ₹ 95.18 billion in Fiscal 2024. The main working capital adjustments towards decrease in cash flow in Fiscal 2024 included an increase in advances of ₹ 5,142.19 billion and an increase in borrowings of ₹ 997.58 billion and an increase in other liabilities and provisions of ₹ 159.71 billion in Fiscal 2024, and taxes paid amounted to ₹ 287.76 billion in Fiscal 2024.

#### **Fiscal 2023**

Net cash used in operating activities was ₹ 913.52 billion in Fiscal 2023. Profit before tax in Fiscal 2023 amounted to ₹ 672.06 billion with the primary adjustments consisting of provision for diminution in fair value and NPAs of ₹ 91.44 billion and other provisions of ₹ 2.3 billion in Fiscal 2023. The main working capital adjustments towards increase in cash flow in Fiscal 2023 consists increase in deposits of ₹ 3,722.44 billion and increase in investment of ₹ 943.49 billion in Fiscal 2023, and taxes paid amounted to ₹ 153.53 billion in Fiscal 2023.

### *Investing Activities*

#### **Fiscal 2025**

Net cash used in investing activities was ₹ 20.12 billion in Fiscal 2025, primarily due to purchase of fixed assets of ₹ 51.12 billion which was partially offset by income received on investment in subsidiaries/joint ventures/associates of ₹ 19.77 billion and sale of investments in subsidiaries/joint ventures/associates of ₹ 10.11 billion.

#### **Fiscal 2024**

Net cash used in investing activities was ₹ 30.53 billion in Fiscal 2024, primarily due to purchase of fixed assets of ₹ 35.05 billion and purchase of investments in subsidiaries/joint ventures/associates of ₹ 15.10 billion which was partially offset by income received on investment in subsidiaries/joint ventures/associates of ₹ 19.62 billion.

#### **Fiscal 2023**

Net cash used in investing activities was ₹ 32.97 billion in Fiscal 2023, primarily due to purchase of fixed assets of ₹ 34.22 billion and purchase of investments in subsidiaries/joint ventures/associates of ₹ 7.30 billion which was partially offset by income received on investment in subsidiaries/joint ventures/associates of ₹ 8.55 billion.

## Financing Activities

### Fiscal 2025

Net cash used in financing activities was ₹ 163.27 billion in Fiscal 2025, primarily on account of redemption and interest payment of capital instrument amounting to ₹ 241.00 billion and dividend paid amounting to ₹ 122.27 billion.

### Fiscal 2024

Net cash used in financing activities was ₹ 138.55 billion in Fiscal 2024, primarily on account of redemption and interest payment of capital instrument amounting to ₹ 218.72 billion and dividend paid amounting to ₹ 100.85 billion.

### Fiscal 2023

Net cash generated from financing activities was ₹ 52.01 billion in Fiscal 2023, primarily on account of issue of capital instruments amounting to ₹ 191.33 billion which was partially offset by dividend paid amounting to ₹ 63.37 billion and interest paid on capital instruments of ₹ 55.95 billion.

## Capital

We calculate our Capital to Risk Weighted Assets Ratio under Basel III guidelines. Our Bank's CRAR under Basel III was 14.25% (on a standalone basis) as of March 31, 2025.

We are registered with and subject to supervision by the RBI, including the RBI's detailed guidelines for implementation of Basel III capital regulations that were issued in May 2012. Basel III Capital Regulations are being implemented in India with effect from April 1, 2013 in a phased manner, which our Bank has complied with. Also see "– *Principal Factors Affecting Our Results of Operations and Financial Condition – Capital Adequacy, liquidity requirements and reserve ratios*" on page 79.

Our Bank's regulatory capital and capital adequacy ratios calculated under Basel III as of the dates indicated, are as follows:

|       |                                         | As of March 31, 2025 |
|-------|-----------------------------------------|----------------------|
|       | Regulatory Capital                      | (₹ billion)          |
|       | Tier I capital                          | 4,419.70             |
|       | Tier II capital                         | 780.92               |
|       | Total Capital                           | 5,200.62             |
|       | Regulatory Capital                      |                      |
| (i)   | Common Equity Tier I Ratio              | 10.81%               |
| (ii)  | Additional Tier I capital (CRAR)        | 1.30%                |
| (iii) | Tier I capital adequacy ratio (i) +(ii) | 12.11%               |
| (iv)  | Tier II capital (CRAR)                  | 2.14%                |
| (v)   | Total Capital Ratio (ii)+(iv)           | 14.25%               |

## Capital Expenditure

Our Bank's capital expenditure consists principally of expenditure relating to branch network expansion as well as investment in technology and communication infrastructure, in each case principally in India.

Our Bank's planned future capital expenditure relates primarily to maintenance and investment in technology and communication infrastructure. We do not consider our Bank's current capital expenditure plans to be material in amount, given the size, scope and nature of our Bank's business. However, our Bank's actual expenditure may be higher or lower than current expectations, and could be material in amount. Moreover, we may incur capital expenditure for purposes other than above, depending on, among other factors, the business environment prevailing at the time and any change in our Bank's business plans.

## Contingent Liabilities

Our contingent liabilities primarily relate to claims against us not acknowledged as debts which represent claims filed against us in the normal course of business relating to various legal cases currently in progress. These also include demands raised by income tax and other statutory authorities and disputed by us. Contingent liabilities also include liabilities on account of outstanding forward exchange contracts that we enter into on our own account and on behalf of our customers. Guarantees given on behalf of entities, acceptances, endorsements and other obligations also form part of our contingent liabilities.

The table below sets forth, as of the dates indicated, the principal components of our Bank's contingent liabilities as of March 31, 2025:

| <b>Contingent Liabilities</b>                                  | <b>As of March 31, 2025</b> |
|----------------------------------------------------------------|-----------------------------|
|                                                                | <b>(₹ billion)</b>          |
| Claims against our Bank not acknowledged as debts              | 1,176.45                    |
| Liability for partly paid investments                          | 20.89                       |
| Liability on account of outstanding forward exchange contracts | 14,540.90                   |
| Guarantees given on behalf of constituents:                    |                             |
| (a) In India                                                   | 2,190.94                    |
| (b) Outside India                                              | 1,012.82                    |
| Acceptances, endorsements and other obligations                | 1,578.49                    |
| Other items for which our Bank is contingently liable          | 6,161.88                    |
| <b>TOTAL</b>                                                   | <b>26,682.37</b>            |

### **Off Balance Sheet Arrangements**

Except as disclosed in the Financial Statements or elsewhere in this Placement Document, there are no off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates, other unconsolidated entities or financial partnerships that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

### **Auditor Observations and Matters of Emphasis**

There are no reservations, qualifications or adverse remarks highlighted by the Statutory Auditors in their reports to our financial statements/ results for Fiscals 2023, 2024 and 2025.

### **Related Party Transactions**

Our Bank enters into various transactions with related parties in the ordinary course of business. These transactions principally include remuneration paid to KMP and other permitted business of our Bank as per Section 32 or 33 of the SBI Act, 1955. For further information relating to our Bank's related party transactions, see "*Financial Statements*" on page 263.

### **Quantitative and Qualitative Disclosure about Risks and Risk Management**

We are exposed to various risks that are an inherent part of any banking business, with the major risks being credit risk, market risk, liquidity risk and operational risk. We have various policies and procedures in place to measure, manage and monitor these risks systematically across all its portfolios. For further information in relation to the quantitative disclosures on these risks, see "*Financial Statements – Audited Standalone Financial Statements of State Bank of India for the year ended March 31, 2025 - Schedule 18: Notes to Accounts*", on page 288.

Our Bank's Central Board reviews the policies and progress in the implementation of risk management systems, asset liability management, risk-based supervision and a risk-based internal audit at half yearly intervals. The Risk Management Committee of the Board oversees the policy and strategy for our Bank's risk management relating to various risk exposures of our Bank including credit, market, liquidity and operational risks and is supported by various committees that have been constituted to address credit, market, operational, enterprise, group, liquidity and interest rate risk matters.

For further information about the types of risks and our Bank's risk management policies, see "*Our Business – Risk Management Overview*" on page 167.

### **Total Turnover of each Major Industry Segment in which our Bank Operated**

Our Bank has one primary business segment, namely banking industry. This is further divided into treasury, corporate/ wholesale banking, retail banking and other banking business segments. For further information, see "*Industry Overview*" and "*Financial Statements*" on pages 126 and 263, respectively.

### **New Products or Business Segments**

Other than as disclosed in the section titled "*Our Business*" on page 143, our Bank has not publicly announced any new products or business segments nor have there been any material increases in our Bank's revenues due to increased disbursements and introduction of new products.

### **Unusual or Infrequent Events or Transactions**

Except as described in this Placement Document, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

### **Significant Economic Changes that materially affect or are likely to affect Income from Continuing Operations**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from our operations identified above in “- *Principal Factors Affecting our Results of Operations and Financial Condition*” and the uncertainties described in the section “*Risk Factors*” on pages 78 and 36, respectively.

### **Known Trends or Uncertainties**

Other than as described in this Placement Document, particularly in this section and “*Risk Factors*” section on page 36, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

### **Future Relationship between Cost and Income**

Other than as described elsewhere in this section and the sections “*Risk Factors*” and “*Our Business*” on pages 36 and 143, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

### **Competitive Conditions**

We operate in a competitive environment. See sections, “*Our Business*”, “*Industry Overview*”, “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Principal Factors Affecting our Results of Operations and Financial Condition – Competition*” on pages 143, 126, 36 and 77, respectively.

### **Significant Developments after March 31, 2025 that may affect our Future Results of Operations**

To our knowledge, no circumstances have arisen since March 31, 2025, which may materially and adversely affect or is likely to affect, our profitability, or the value of our assets or our ability to pay our liabilities.



## SELECTED STATISTICAL INFORMATION

The following information should be read together with the information included in the sections “Selected Financial Information of our Bank”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” included elsewhere in this Placement Document.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year. Unless otherwise specified or unless the context otherwise requires, financial information herein for Fiscals 2023, 2024 and 2025 is derived from our Audited Standalone Financial Statements, included in the section “Financial Statements” of this Placement Document.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Placement Document. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. However, note that these non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other banks in India or elsewhere.

Unless otherwise stated, references to “the Bank” or “our Bank”, are to State Bank of India on a standalone basis and references to “we”, “us”, “our” and “the Group” are to State Bank of India on a consolidated basis.

### Average Balance Sheet of the Bank

The tables below present the average balances for interest-earning assets and interest-bearing liabilities together with the related interest revenue and expense amounts, resulting in the presentation of the average yields and cost for each period of the Bank on a standalone basis. The average balance is the average of quarterly balances outstanding. The average yield on average assets is the ratio of interest revenue to average interest-earning assets (except that investments include equity investments and interest revenue with respect to investments includes dividends on such equity investments). The average cost on average interest-bearing liabilities is the ratio of interest expense to average interest-bearing liabilities.

|                                           | As of and for the year ended March 31, |                                        |                         |                                |                                        |                         |                                |                                        |                         |
|-------------------------------------------|----------------------------------------|----------------------------------------|-------------------------|--------------------------------|----------------------------------------|-------------------------|--------------------------------|----------------------------------------|-------------------------|
|                                           | 2023                                   |                                        |                         | 2024                           |                                        |                         | 2025                           |                                        |                         |
|                                           | Average Balance <sup>(1)</sup>         | Interest Income/Expense <sup>(3)</sup> | Average Yield/ Cost (%) | Average Balance <sup>(1)</sup> | Interest Income/Expense <sup>(3)</sup> | Average Yield/ Cost (%) | Average Balance <sup>(1)</sup> | Interest Income/Expense <sup>(3)</sup> | Average Yield/ Cost (%) |
| (₹ billion, except percentages)           |                                        |                                        |                         |                                |                                        |                         |                                |                                        |                         |
| <b>Interest-earning assets:</b>           |                                        |                                        |                         |                                |                                        |                         |                                |                                        |                         |
| Advances                                  | 30,059.96                              | 2,214.01                               | 7.37%                   | 34,509.19                      | 2,897.84                               | 8.40%                   | 39,436.10                      | 3,306.27                               | 8.38%                   |
| Investments                               | 15,560.23                              | 959.28                                 | 6.16%                   | 16,564.98                      | 1,086.41                               | 6.56%                   | 16,983.87                      | 1,150.31                               | 6.77%                   |
| Others <sup>(2)</sup>                     | 2,607.78                               | 147.74                                 | 5.67%                   | 3,176.23                       | 167.06                                 | 5.26%                   | 3,486.98                       | 168.31                                 | 4.83%                   |
| <b>Total interest-earning assets</b>      | <b>48,227.97</b>                       | <b>3,321.03</b>                        | <b>6.89%</b>            | <b>54,250.40</b>               | <b>4,151.31</b>                        | <b>7.65%</b>            | <b>59,906.96</b>               | <b>4,624.89</b>                        | <b>7.72%</b>            |
| <b>Non-interest earning assets:</b>       |                                        |                                        |                         |                                |                                        |                         |                                |                                        |                         |
| Fixed assets                              | 419.71                                 | -                                      | -                       | 424.58                         | -                                      | -                       | 432.77                         | -                                      | -                       |
| Other assets                              | 4,019.12                               | -                                      | -                       | 4,111.78                       | -                                      | -                       | 4,233.62                       | -                                      | -                       |
| <b>Total non-interest earning assets</b>  | <b>4,438.84</b>                        | <b>-</b>                               | <b>-</b>                | <b>4,536.36</b>                | <b>-</b>                               | <b>-</b>                | <b>4,666.39</b>                | <b>-</b>                               | <b>-</b>                |
| <b>Total Assets</b>                       | <b>52,666.81</b>                       | <b>3,321.03</b>                        | <b>6.31%</b>            | <b>58,786.76</b>               | <b>4,151.31</b>                        | <b>7.06%</b>            | <b>64,573.35</b>               | <b>4,624.89</b>                        | <b>7.16%</b>            |
| <b>Liabilities:</b>                       |                                        |                                        |                         |                                |                                        |                         |                                |                                        |                         |
| <b>Total deposits</b>                     | <b>42,183.21</b>                       | <b>1,624.18</b>                        | <b>3.85%</b>            | <b>47,246.88</b>               | <b>2,214.60</b>                        | <b>4.69%</b>            | <b>51,576.46</b>               | <b>2,572.28</b>                        | <b>4.99%</b>            |
| - Demand deposits <sup>(4)</sup>          | 2,588.22                               | -                                      | -                       | 2,743.38                       | -                                      | -                       | 3,065.58                       | -                                      | -                       |
| - Savings deposits                        | 15,743.49                              | 421.59                                 | 2.68%                   | 16,390.87                      | 443.33                                 | 2.70%                   | 16,918.19                      | 456.35                                 | 2.70%                   |
| - Term deposits                           | 23,851.50                              | 1,202.59                               | 5.04%                   | 28,112.63                      | 1,771.27                               | 6.30%                   | 31,592.69                      | 2,115.93                               | 6.70%                   |
| <b>Borrowings</b>                         | <b>5,031.34</b>                        | <b>248.45</b>                          | <b>4.94%</b>            | <b>5,187.79</b>                | <b>337.95</b>                          | <b>6.51%</b>            | <b>6,042.98</b>                | <b>382.97</b>                          | <b>6.34%</b>            |
| - Unsecured subordinated bonds            | 832.19                                 | 67.64                                  | 8.13%                   | 918.05                         | 98.52                                  | 10.73%                  | 976.79                         | 97.47                                  | 9.98%                   |
| - Other borrowings                        | 4,199.16                               | 180.80                                 | 4.31%                   | 4,269.74                       | 239.43                                 | 5.61%                   | 5,066.18                       | 285.49                                 | 5.64%                   |
| <b>Total interest-bearing liabilities</b> | <b>47,214.56</b>                       | <b>1,872.63</b>                        | <b>3.97%</b>            | <b>52,434.67</b>               | <b>2,552.55</b>                        | <b>4.87%</b>            | <b>57,619.44</b>               | <b>2,955.24</b>                        | <b>5.13%</b>            |
| <b>Non-interest-bearing liabilities:</b>  |                                        |                                        |                         |                                |                                        |                         |                                |                                        |                         |
| Capital and reserves                      | 3,112.72                               | -                                      | -                       | 3,624.67                       | -                                      | -                       | 4,233.79                       | -                                      | -                       |
| Other liabilities                         | 2,339.53                               | -                                      | -                       | 2,727.42                       | -                                      | -                       | 2,720.12                       | -                                      | -                       |

|                                               | As of and for the year ended March 31, |                                        |                        |                                |                                        |                        |                                |                                        |                        |
|-----------------------------------------------|----------------------------------------|----------------------------------------|------------------------|--------------------------------|----------------------------------------|------------------------|--------------------------------|----------------------------------------|------------------------|
|                                               | 2023                                   |                                        |                        | 2024                           |                                        |                        | 2025                           |                                        |                        |
|                                               | Average Balance <sup>(1)</sup>         | Interest Income/Expense <sup>(3)</sup> | Average Yield/Cost (%) | Average Balance <sup>(1)</sup> | Interest Income/Expense <sup>(3)</sup> | Average Yield/Cost (%) | Average Balance <sup>(1)</sup> | Interest Income/Expense <sup>(3)</sup> | Average Yield/Cost (%) |
|                                               | (₹ billion, except percentages)        |                                        |                        |                                |                                        |                        |                                |                                        |                        |
| <b>Total non-interest-bearing liabilities</b> | 5,452.25                               | -                                      | -                      | 6,352.09                       | -                                      | -                      | 6,953.91                       | -                                      | -                      |
| <b>Total liabilities</b>                      | <b>52,666.81</b>                       | <b>1,872.63</b>                        | <b>3.56%</b>           | <b>58,786.76</b>               | <b>2,552.55</b>                        | <b>4.34%</b>           | <b>64,573.35</b>               | <b>2,955.24</b>                        | <b>4.58%</b>           |

Notes:

- (1) Average balances are quarterly averages.
- (2) Other interest-earning assets comprises quarterly average of overseas earning assets excluding advances, balance with RBI and balance with Bank and money at call and short notice and contribution to the Rural Infrastructure Development Fund ("RIDF").
- (3) Other interest includes Balances with Reserve Bank of India in other accounts, Balances with banks in other deposit accounts, money at call and short notice
- (4) Demand deposits do not bear interest.

### Analysis of Changes in Interest Revenue and Interest Expense by Volume and Rate

The following tables set forth, for the periods indicated, the allocation of the changes in the Bank's interest revenue (including, with respect to equity investments, dividend income) and interest expense between average volume and changes in average rates.

|                                            | Fiscal 2023 vs. Fiscal 2024          |                          |                        | Fiscal 2024 vs. Fiscal 2025 |                          |                        |
|--------------------------------------------|--------------------------------------|--------------------------|------------------------|-----------------------------|--------------------------|------------------------|
|                                            | Increase (Decrease) Due to           |                          |                        | Increase (Decrease) Due to  |                          |                        |
|                                            | Net Change                           | Change in Average Volume | Change in Average Rate | Net Change                  | Change in Average Volume | Change in Average Rate |
|                                            | (₹ billion, unless otherwise stated) |                          |                        |                             |                          |                        |
| <b>Interest revenue</b>                    |                                      |                          |                        |                             |                          |                        |
| Advances                                   | 683.83                               | 4,449.23                 | 103 bps                | 408.43                      | 4,926.92                 | (2 bps)                |
| Investments                                | 127.12                               | 1,004.75                 | 40 bps                 | 63.91                       | 418.89                   | 21 bps                 |
| Others <sup>(1)</sup>                      | 19.32                                | 568.45                   | (41 bps)               | 1.25                        | 310.75                   | (43 bps)               |
| <b>Total interest-earning assets</b>       | <b>830.28</b>                        | <b>6,022.43</b>          | <b>76 bps</b>          | <b>473.59</b>               | <b>5,656.56</b>          | <b>7 bps</b>           |
| Total deposits <sup>(2)</sup>              | 590.42                               | 5,063.67                 | 84 bps                 | 357.68                      | 4,329.58                 | 30 bps                 |
| Subordinated loan                          | 30.88                                | 85.86                    | 260 bps                | -1.05                       | 58.75                    | (75 bps)               |
| Borrowings <sup>(3)</sup>                  | 58.63                                | 70.58                    | 130 bps                | 46.06                       | 796.44                   | 3 bps                  |
| <b>Total interest-bearing liabilities.</b> | <b>679.92</b>                        | <b>5,220.11</b>          | <b>90 bps</b>          | <b>402.69</b>               | <b>5,184.77</b>          | <b>26 bps</b>          |
| <b>Net interest revenue</b>                | <b>150.35</b>                        | <b>-</b>                 |                        | <b>70.89</b>                | <b>-</b>                 |                        |

Notes:

- (1) Other interest-earning assets comprises quarterly average of overseas earning assets excluding advances, balance with RBI and balance with Bank, money at call and short notice and contribution to the Rural Infrastructure Development Fund ("RIDF").
- (2) Total deposits comprise savings deposits, demand deposits and term deposits. Demand deposits do not bear interest.
- (3) Borrowings comprises unsecured subordinated bonds and other borrowings.

### Yields, Spreads and Margins

The following table sets forth, for the periods indicated, the yields, spreads and interest margins on the Bank's interest-earning assets.

| Particulars                                           | As of / For the Year ended March 31, |           |           |
|-------------------------------------------------------|--------------------------------------|-----------|-----------|
|                                                       | 2023                                 | 2024      | 2025      |
|                                                       | (₹ billion, except percentages)      |           |           |
| Interest income on interest-earning assets (advances) | 2,214.01                             | 2,897.84  | 3,306.27  |
| Interest expense on interest-bearing liabilities      | 1,872.63                             | 2,552.55  | 2,955.24  |
| Average advances (advances) <sup>(1)</sup>            | 30,059.96                            | 34,509.19 | 39,436.10 |
| Average interest-bearing liabilities <sup>(1)</sup>   | 47,214.56                            | 52,434.67 | 57,619.44 |
| Average total assets <sup>(1)</sup>                   | 52,666.81                            | 58,786.76 | 64,573.35 |
| Net interest income <sup>(2)</sup>                    | 1,448.41                             | 1,598.76  | 1,669.65  |
| Pre-provisioning operating profit <sup>(3) (15)</sup> | 837.13                               | 937.97    | 1,105.79  |
| Profit after tax                                      | 502.32                               | 610.77    | 709.01    |

| Particulars                                                                                 | As of / For the Year ended March 31, |        |        |
|---------------------------------------------------------------------------------------------|--------------------------------------|--------|--------|
|                                                                                             | 2023                                 | 2024   | 2025   |
|                                                                                             | (₹ billion, except percentages)      |        |        |
| Average advances as a percentage of average total assets <sup>(1)</sup>                     | 57.08%                               | 58.70% | 61.07% |
| Average interest-bearing liabilities as a percentage of average total assets <sup>(1)</sup> | 89.65%                               | 89.19% | 89.23% |
| Average advances as a percentage of average interest-bearing liabilities <sup>(1)</sup>     | 63.67%                               | 65.81% | 68.44% |
| Average Yield <sup>(4)</sup>                                                                | 6.89%                                | 7.65%  | 7.72%  |
| Yield on advances <sup>(5)</sup>                                                            | 7.37%                                | 8.40%  | 8.38%  |
| Yield on funds <sup>(6)</sup>                                                               | 6.31%                                | 7.06%  | 7.16%  |
| Yield on investments <sup>(7)</sup>                                                         | 6.16%                                | 6.56%  | 6.77%  |
| Cost of funds <sup>(8)</sup>                                                                | 3.56%                                | 4.34%  | 4.58%  |
| Cost of deposits <sup>(9)</sup>                                                             | 3.85%                                | 4.69%  | 4.99%  |
| Spread <sup>(10)</sup>                                                                      | 2.75%                                | 2.72%  | 2.59%  |
| Net interest margin <sup>(11)</sup>                                                         | 3.00%                                | 2.95%  | 2.79%  |
| Credit to deposit ratio <sup>(12)</sup>                                                     | 72.32%                               | 75.34% | 77.35% |
| Cost to Income ratio <sup>(13) (15)</sup>                                                   | 53.87%                               | 55.66% | 51.64% |
| Other income to operating income ratio <sup>(14)</sup>                                      | 20.18%                               | 24.43% | 26.98% |

Notes:

(1) Average balances are quarterly averages.

(2) Net interest income is the difference of interest earned and interest expended by the Bank.

(3) Pre-provisioning operating profit is calculated as interest earned plus other income less interest expended and operating expenses.

(4) Yield is interest income divided by total quarterly average interest-earning assets.

(5) Yield on advances is interest on advances divided by quarterly average balance of advances.

(6) Yield on funds is interest income earned on quarterly average assets.

(7) Yield on investments is income earned on investments divided by quarterly average investment.

(8) Cost of funds is interest expense divided by total quarterly average assets.

(9) Cost of deposits is interest paid on deposits divided by quarterly average deposits.

(10) Spread is net interest income divided by quarterly average assets

(11) Net interest margin is the difference of interest earned and interest expended divided by the total average interest-earning assets, where advances, investment and money at call and short notice are based on quarterly averages and others are based on quarterly averages.

(12) Credit to deposit ratio is calculated as a ratio of total net advances to total deposits.

(13) Cost to income ratio is calculated as a ratio of operating expenses divided by total operating income (total of net interest income and non-interest income).

(14) Other income to operating income ratio is calculated as a ratio of other income divided by total operating income (total of net interest income and non-interest income).

(15) Operating expenses for Fiscal 2024 are before considering exceptional items.

## Financial Ratios of the Bank

The following tables set forth certain key financial indicators for the Bank as of and for the dates and periods indicated.

|                                                                       | As of / For the Year Ended March 31, |        |        |
|-----------------------------------------------------------------------|--------------------------------------|--------|--------|
|                                                                       | 2023                                 | 2024   | 2025   |
|                                                                       | (percentage)                         |        |        |
| Return on average equity <sup>(1)</sup>                               | 19.09%                               | 19.71% | 19.09% |
| Return on average assets <sup>(2)</sup>                               | 0.95%                                | 1.04%  | 1.10%  |
| Dividend payout ratio <sup>(3)</sup>                                  | 20.08%                               | 20.02% | 20.01% |
| Cost to average assets <sup>(4) (9)</sup>                             | 1.86%                                | 2.00%  | 1.83%  |
| Net non-performing assets ratio <sup>(5)</sup>                        | 0.67%                                | 0.57%  | 0.47%  |
| Allowance as percentage of gross non-performing assets <sup>(6)</sup> | 76.39%                               | 75.02% | 74.42% |
| Average net worth to total average assets <sup>(7)</sup>              | 5.00%                                | 5.27%  | 5.75%  |
| Tier I Capital ratio                                                  | 12.06%                               | 11.93% | 12.11% |
| Tier II Capital ratio                                                 | 2.62%                                | 2.35%  | 2.14%  |
| Credit to deposit ratio <sup>(8)</sup>                                | 65.28%                               | 68.34% | 69.71% |
| Other income to operating income ratio                                | 20.18%                               | 24.43% | 26.98% |

Notes:

(1) Return on average equity is the ratio of the net profit after tax to the quarterly average tangible net worth (capital plus reserves excluding revaluation reserves, DTA and other deduction).

(2) Return on average assets is the ratio of the net profit after tax to the quarterly average assets.

(3) Dividend payout ratio is the ratio of dividend to adjusted net profit (after dividend tax).

(4) Cost to average assets is the ratio of the operating expenses, to the quarterly average assets.

(5) Net non-performing assets ratio is the ratio of net non-performing assets divided by net advances.

(6) Allowance as a percentage of gross non-performing assets is the ratio of non-performing asset provisions made to the gross non-performing assets i.e., (Gross NPA-Net NPA)/Gross NPA.

(7) Average net worth to total average assets is the ratio of quarterly average capital and reserves capital plus reserves excluding revaluation reserves, DTA and other deduction) divided by total quarterly average assets.

(8) Credit to deposit ratio is calculated as a ratio of total gross advance to total domestic deposits.

(9) Operating expenses for Fiscal 2024 are before considering exceptional items.

## Return on Equity and Assets

The following table presents selected financial ratios for the Bank for the periods indicated:

|                                                                      | As of / For the Year Ended March 31, |           |           |
|----------------------------------------------------------------------|--------------------------------------|-----------|-----------|
|                                                                      | 2023                                 | 2024      | 2025      |
|                                                                      | (₹ billion, except percentages)      |           |           |
| Net profit                                                           | 502.32                               | 610.77    | 709.01    |
| Average total assets <sup>(1)</sup>                                  | 52,666.81                            | 58,786.76 | 64,573.35 |
| Average shareholders' equity <sup>(2)</sup>                          | 2,631.64                             | 3,098.43  | 3,713.28  |
| Net profit as a percentage of average total assets                   | 0.95%                                | 1.04%     | 1.10%     |
| Net profit as a percentage of average shareholders' equity           | 19.09%                               | 19.71%    | 19.09%    |
| Average shareholders' equity as a percentage of average total assets | 5.00%                                | 5.27%     | 5.75%     |

Notes:

(1) The Average Total Assets is the quarterly average of balances of total assets outstanding for the year.

(2) Average shareholders' equity is quarterly average tangible net worth.

## Investment Portfolio

As of March 31, 2023, 2024 and 2025, the Bank's investments comprised 28.46%, 27.05% and 25.32% respectively, of its total assets, while total advances were 57.99%, 59.94% and 62.36% respectively, of the Bank's total assets. The Bank carries out its investment activities according to various investment and trading policies. These policies set forth delegation of powers, types of instruments, maximum limits on investments in different types of securities, position limits, stop loss limits, duration limits and minimum acceptable credit spreads.

The Bank is required to maintain a minimum holding of 18.00% of its demand and time liabilities in SLR securities, as of March 31, 2025. In addition, the surplus funds of the Bank's deposits and advances are invested by the domestic treasury. These investments are in conformity with the Bank's policy on investments and the risk limits set by the Bank's board.

## Total Domestic Investment Portfolio

The following tables set forth, as of the dates indicated, information relating to the Bank's total domestic investment portfolio. Based on carrying value, domestic investments constituted 96.01%, 96.00% and 95.62% of the Bank's investment portfolio as of March 31, 2023, 2024 and 2025, respectively.

|                                       | As of March 31, 2023 |                  |                                 |                                 | As of March 31, 2024 |                  |                                 |                                 | As of March 31, 2025 |                  |                                 |                                 |
|---------------------------------------|----------------------|------------------|---------------------------------|---------------------------------|----------------------|------------------|---------------------------------|---------------------------------|----------------------|------------------|---------------------------------|---------------------------------|
|                                       | Book Value           | Market Value     | Value including Unrealized Gain | Value including Unrealized Loss | Book Value           | Market Value     | Value including Unrealized Gain | Value including Unrealized Loss | Book Value           | Market Value     | Value including Unrealized Gain | Value including Unrealized Loss |
|                                       | (₹ billion)          |                  |                                 |                                 |                      |                  |                                 |                                 |                      |                  |                                 |                                 |
| Government securities                 | 12,410.33            | 12,383.29        | 15.53                           | 42.58                           | 13,657.49            | 13,657.46        | 23.96                           | 23.98                           | 13,254.76            | 13,266.77        | 12.01                           | 0.00                            |
| Other debt securities <sup>(1)</sup>  | 1,804.31             | 1,767.28         | 14.20                           | 51.22                           | 1,447.50             | 1,442.36         | 24.33                           | 29.47                           | 1,541.21             | 1,555.11         | 27.87                           | 13.97                           |
| <b>Total debt securities</b>          | <b>14,214.64</b>     | <b>14,150.57</b> | <b>29.73</b>                    | <b>93.80</b>                    | <b>15,104.99</b>     | <b>15,099.82</b> | <b>48.29</b>                    | <b>53.45</b>                    | <b>14,795.97</b>     | <b>14,821.88</b> | <b>39.88</b>                    | <b>13.97</b>                    |
| Non-debt securities <sup>(2)</sup>    | 220.04               | 247.54           | 58.87                           | 31.37                           | 116.44               | 164.38           | 68.74                           | 20.80                           | 310.38               | 325.31           | 36.57                           | 21.63                           |
| Subsidiaries and associates — at cost | 140.93               | 175.53           | 35.03                           | 0.43                            | 156.03               | 251.88           | 96.29                           | 0.43                            | 155.90               | 155.40           | 0.00                            | 0.51                            |
| Others <sup>(3)</sup>                 | 666.28               | 624.83           | 15.87                           | 57.32                           | 771.06               | 728.45           | 16.98                           | 59.61                           | 952.46               | 904.02           | 8.97                            | 57.41                           |
| <b>Total</b>                          | <b>15,241.89</b>     | <b>15,198.47</b> | <b>139.50</b>                   | <b>182.92</b>                   | <b>16,148.52</b>     | <b>16,244.53</b> | <b>230.30</b>                   | <b>134.29</b>                   | <b>16,214.71</b>     | <b>16,206.61</b> | <b>85.42</b>                    | <b>93.52</b>                    |

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(3) Includes investments in certificates of deposits, commercial paper, units of mutual funds, pass through certificates, security receipts and deposits with NABARD, SIDBI and NHB under the priority/weaker section lending schemes

## Treasury

The following tables set forth, as of the dates indicated, information relating to the Bank's total domestic gross investments.

|                                              | As of March 31,  |                  |                  |
|----------------------------------------------|------------------|------------------|------------------|
|                                              | 2023             | 2024             | 2025             |
|                                              | (₹ billion)      |                  |                  |
| Gross domestic investment                    | 15,241.89        | 16,148.52        | 16,214.71        |
| SLR                                          | 12,410.33        | 13,657.49        | 13,254.76        |
| SLR as a percentage to domestic investment   | 81.42%           | 84.57%           | 81.75%           |
| Non-SLR                                      | 2,831.56         | 2,491.03         | 2,959.95         |
| Held to maturity ("HTM")                     | 9,594.01         | 10,916.97        | 12,136.33        |
| HTM to gross domestic investment (%)         | 62.94%           | 67.60%           | 74.85%           |
| Available for sale ("AFS")                   | 5,650.74         | 5,165.12         | 2,229.11         |
| Held for trading ("HFT")                     | -2.86            | 66.43            | 1,495.65         |
| Fair value through profit and loss (non-HFT) | -                | -                | 189.48           |
| Subsidiaries, joint venture & associates     | -                | -                | 164.15           |
| Modified duration (AFS+HFT)                  | -                | -                | -                |
| Net demand and time liabilities              | 44,804.32        | 49,332.86        | 54,030.20        |
| Investment by overseas branches              | -                | -                | -                |
| <b>Total domestic gross investment</b>       | <b>15,241.89</b> | <b>16,148.52</b> | <b>16,214.71</b> |

## Non-SLR Investment

The following tables set forth, as of the dates indicated, information relating to the Bank's domestic non-SLR investments.

|                                                   | As of March 31, |                                                  |                 |                                                  |                 |                                                  |
|---------------------------------------------------|-----------------|--------------------------------------------------|-----------------|--------------------------------------------------|-----------------|--------------------------------------------------|
|                                                   | 2023            |                                                  | 2024            |                                                  | 2025            |                                                  |
|                                                   | (₹ billion)     | As a percentage of total non-SLR investments (%) | (₹ billion)     | As a percentage of total non-SLR investments (%) | (₹ billion)     | As a percentage of total non-SLR investments (%) |
| PSU bonds                                         | 152.60          | 5.39%                                            | 125.14          | 5.02%                                            | 151.29          | 5.11%                                            |
| Corporate and other bonds & debentures            | 1,495.85        | 52.83%                                           | 1,212.18        | 48.66%                                           | 1,286.87        | 43.48%                                           |
| Special government sector (excluding recap bonds) | 27.01           | 0.95%                                            | 22.18           | 0.89%                                            | 15.04           | 0.51%                                            |
| Central government recap bond                     | 128.85          | 4.55%                                            | 88.00           | 3.53%                                            | 88.00           | 2.97%                                            |
| Share of PSU/ corporate/ others                   | 150.73          | 5.32%                                            | 80.03           | 3.21%                                            | 227.81          | 7.70%                                            |
| Venture capital fund                              | 26.11           | 0.92%                                            | 26.19           | 1.05%                                            | 34.36           | 1.16%                                            |
| Regional rural bank                               | 13.80           | 0.49%                                            | 14.63           | 0.59%                                            | 14.63           | 0.49%                                            |
| Security receipts                                 | 70.09           | 2.48%                                            | 64.26           | 2.58%                                            | 98.59           | 3.33%                                            |
| Subsidiaries JV                                   | 127.13          | 4.49%                                            | 141.40          | 5.68%                                            | 141.29          | 4.77%                                            |
| Other                                             | 639.39          | 22.58%                                           | 717.02          | 28.78%                                           | 902.06          | 30.48%                                           |
| <b>Total domestic non-SLR investment</b>          | <b>2,831.56</b> | <b>100.00%</b>                                   | <b>2,491.03</b> | <b>100.00%</b>                                   | <b>2,959.95</b> | <b>100.00%</b>                                   |

## Available for Sale Investments

The following tables set forth, as of the dates indicated, information related to the Bank's domestic investments available for sale.

|                                      | As of March 31, 2023 |                 |                                 |                                 | As of March 31, 2024 |                 |                                 |                                 | As of March 31, 2025 |                 |                                 |                                 |
|--------------------------------------|----------------------|-----------------|---------------------------------|---------------------------------|----------------------|-----------------|---------------------------------|---------------------------------|----------------------|-----------------|---------------------------------|---------------------------------|
|                                      | Book Value           | Market Value    | Value including Unrealized Gain | Value including Unrealized Loss | Book Value           | Market Value    | Value including Unrealized Gain | Value including Unrealized Loss | Book Value           | Market Value    | Value including Unrealized Gain | Value including Unrealized Loss |
|                                      | (₹ billion)          |                 |                                 |                                 |                      |                 |                                 |                                 |                      |                 |                                 |                                 |
| Government securities                | 3,212.70             | 3,185.68        | 15.52                           | 42.55                           | 2,941.71             | 2,941.62        | 23.90                           | 23.98                           | 1,130.21             | 1,138.57        | 8.36                            | 0.00                            |
| Other debt securities <sup>(1)</sup> | 1,490.57             | 1,453.54        | 14.20                           | 51.22                           | 1,273.69             | 1,268.52        | 24.31                           | 29.47                           | 782.19               | 786.72          | 5.05                            | 0.52                            |
| <b>Total debt securities</b>         | <b>4,703.27</b>      | <b>4,639.22</b> | <b>29.72</b>                    | <b>93.77</b>                    | <b>4,215.40</b>      | <b>4,210.15</b> | <b>48.21</b>                    | <b>53.46</b>                    | <b>1,912.40</b>      | <b>1,925.29</b> | <b>13.41</b>                    | <b>0.52</b>                     |

|                                       | As of March 31, 2023 |                 |                                 |                                 | As of March 31, 2024 |                 |                                 |                                 | As of March 31, 2025 |                 |                                 |                                 |
|---------------------------------------|----------------------|-----------------|---------------------------------|---------------------------------|----------------------|-----------------|---------------------------------|---------------------------------|----------------------|-----------------|---------------------------------|---------------------------------|
|                                       | Book Value           | Market Value    | Value including Unrealized Gain | Value including Unrealized Loss | Book Value           | Market Value    | Value including Unrealized Gain | Value including Unrealized Loss | Book Value           | Market Value    | Value including Unrealized Gain | Value including Unrealized Loss |
|                                       | (₹ billion)          |                 |                                 |                                 |                      |                 |                                 |                                 |                      |                 |                                 |                                 |
| Non-debt securities <sup>(2)</sup>    | 203.09               | 230.60          | 58.86                           | 31.36                           | 100.56               | 148.50          | 68.74                           | 20.80                           | 58.87                | 74.84           | 16.87                           | 0.90                            |
| Subsidiaries and associates — at cost | 78.10                | 113.13          | 35.03                           | 0.00                            | 78.10                | 174.39          | 96.29                           | 0.00                            | -                    | -               | -                               | -                               |
| Others <sup>(3)</sup>                 | 666.28               | 624.83          | 15.88                           | 57.32                           | 771.06               | 728.44          | 16.99                           | 59.61                           | 257.84               | 257.84          | 0.00                            | 0.00                            |
| <b>Total</b>                          | <b>5,650.74</b>      | <b>5,607.78</b> | <b>139.49</b>                   | <b>182.45</b>                   | <b>5,165.12</b>      | <b>5,261.48</b> | <b>230.23</b>                   | <b>133.87</b>                   | <b>2,229.11</b>      | <b>2,257.97</b> | <b>30.28</b>                    | <b>1.42</b>                     |

Notes:

- (1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.  
(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.  
(3) Includes investments in certificates of deposits, commercial paper, units of mutual funds, pass through certificates, security receipts and deposits with NABARD, SIDBI and NHB under the priority/weaker section lending schemes

### Held to Maturity Investments

The following tables set forth, as of the dates indicated, information related to the Bank's domestic investments held to maturity.

|                                       | As of March 31, 2023 |                 |                                 |                                 | As of March 31, 2024 |                  |                                 |                                 | As of March 31, 2025 |                  |                                 |                                 |
|---------------------------------------|----------------------|-----------------|---------------------------------|---------------------------------|----------------------|------------------|---------------------------------|---------------------------------|----------------------|------------------|---------------------------------|---------------------------------|
|                                       | Book Value           | Market Value    | Value including Unrealized Gain | Value including Unrealized Loss | Book Value           | Market Value     | Value including Unrealized Gain | Value including Unrealized Loss | Book Value           | Market Value     | Value including Unrealized Gain | Value including Unrealized Loss |
|                                       | (₹ billion)          |                 |                                 |                                 |                      |                  |                                 |                                 |                      |                  |                                 |                                 |
| Government securities                 | 9,200.90             | 9,200.90        | 0.00                            | 0.00                            | 10,656.96            | 10,656.96        | 0.00                            | 0.00                            | 11,510.35            | 11,510.35        | 0.00                            | 0.00                            |
| Other debt securities <sup>(1)</sup>  | 313.74               | 313.74          | 0.00                            | 0.00                            | 166.20               | 166.20           | 0.00                            | 0.00                            | 530.26               | 530.26           | 0.00                            | 0.00                            |
| <b>Total debt securities</b>          | <b>9,514.64</b>      | <b>9,514.64</b> | <b>0.00</b>                     | <b>0.00</b>                     | <b>10,823.17</b>     | <b>10,823.17</b> | <b>0.00</b>                     | <b>0.00</b>                     | <b>12,040.61</b>     | <b>12,040.61</b> | <b>0.00</b>                     | <b>0.00</b>                     |
| Non-debt securities <sup>(2)</sup>    | 16.53                | 16.53           | 0.00                            | 0.00                            | 15.88                | 15.88            | 0.00                            | 0.00                            | -                    | -                | -                               | -                               |
| Subsidiaries and associates — at cost | 62.84                | 62.41           | 0.00                            | 0.43                            | 77.93                | 77.50            | 0.00                            | 0.43                            | -                    | -                | -                               | -                               |
| Others <sup>(3)</sup>                 | -                    | -               | -                               | -                               | -                    | -                | -                               | -                               | 95.72                | 95.72            | 0.00                            | 0.00                            |
| <b>Total</b>                          | <b>9,594.01</b>      | <b>9,593.58</b> | <b>0.00</b>                     | <b>0.43</b>                     | <b>10,916.97</b>     | <b>10,916.54</b> | <b>0.00</b>                     | <b>0.43</b>                     | <b>12,136.33</b>     | <b>12,136.33</b> | <b>0.00</b>                     | <b>0.00</b>                     |

Notes:

- (1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.  
(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.  
(3) Includes investments in certificates of deposits, commercial paper, units of mutual funds, pass through certificates, security receipts and deposits with NABARD, SIDBI and NHB under the priority/weaker section lending schemes

### Held for Trading Investments

The following tables set forth, as of the dates indicated, information related to the Bank's domestic investments held for trading.

|                                      | As of March 31, 2023 |              |                                 |                                 | As of March 31, 2024 |              |                                 |                                 | As of March 31, 2025 |              |                                 |                                 |
|--------------------------------------|----------------------|--------------|---------------------------------|---------------------------------|----------------------|--------------|---------------------------------|---------------------------------|----------------------|--------------|---------------------------------|---------------------------------|
|                                      | Book Value           | Market Value | Value including Unrealized Gain | Value including Unrealized Loss | Book Value           | Market Value | Value including Unrealized Gain | Value including Unrealized Loss | Book Value           | Market Value | Value including Unrealized Gain | Value including Unrealized Loss |
|                                      | (₹ billion)          |              |                                 |                                 |                      |              |                                 |                                 |                      |              |                                 |                                 |
| Government securities                | -3.27                | -3.29        | 0.01                            | 0.03                            | 58.82                | 58.87        | 0.05                            | 0.00                            | -                    | -            | -                               | -                               |
| Other debt securities <sup>(1)</sup> | -                    | -            | -                               | -                               | 7.61                 | 7.63         | 0.02                            | 0.00                            | -                    | -            | -                               | -                               |
| <b>Total debt securities</b>         | <b>-3.27</b>         | <b>-3.29</b> | <b>0.01</b>                     | <b>0.03</b>                     | <b>66.43</b>         | <b>66.50</b> | <b>0.07</b>                     | <b>0.00</b>                     | <b>-</b>             | <b>-</b>     | <b>-</b>                        | <b>-</b>                        |
| Non-debt securities <sup>(2)</sup>   | 0.41                 | 0.41         | 0.00                            | 0.00                            | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               |
| Subsidiaries and                     | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               |

|                       | As of March 31, 2023 |              |                                 |                                 | As of March 31, 2024 |              |                                 |                                 | As of March 31, 2025 |              |                                 |                                 |
|-----------------------|----------------------|--------------|---------------------------------|---------------------------------|----------------------|--------------|---------------------------------|---------------------------------|----------------------|--------------|---------------------------------|---------------------------------|
|                       | Book Value           | Market Value | Value including Unrealized Gain | Value including Unrealized Loss | Book Value           | Market Value | Value including Unrealized Gain | Value including Unrealized Loss | Book Value           | Market Value | Value including Unrealized Gain | Value including Unrealized Loss |
|                       | (₹ billion)          |              |                                 |                                 |                      |              |                                 |                                 |                      |              |                                 |                                 |
| associates — at cost  |                      |              |                                 |                                 |                      |              |                                 |                                 |                      |              |                                 |                                 |
| Others <sup>(3)</sup> | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               |
| <b>Total</b>          | <b>-2.86</b>         | <b>-2.88</b> | <b>0.01</b>                     | <b>0.03</b>                     | <b>66.43</b>         | <b>66.50</b> | <b>0.07</b>                     | <b>0.00</b>                     | <b>-</b>             | <b>-</b>     | <b>-</b>                        | <b>-</b>                        |

**Fair Value Through Profit or Loss- Held for Trading (FVTPL-HFT) Investments**

|                                       | As of March 31, 2023 |              |                                 |                                 | As of March 31, 2024 |              |                                 |                                 | As of March 31, 2025 |                 |                                 |                                 |
|---------------------------------------|----------------------|--------------|---------------------------------|---------------------------------|----------------------|--------------|---------------------------------|---------------------------------|----------------------|-----------------|---------------------------------|---------------------------------|
|                                       | Book Value           | Market Value | Value including Unrealized Gain | Value including Unrealized Loss | Book Value           | Market Value | Value including Unrealized Gain | Value including Unrealized Loss | Book Value           | Market Value    | Value including Unrealized Gain | Value including Unrealized Loss |
|                                       | (₹ billion)          |              |                                 |                                 |                      |              |                                 |                                 |                      |                 |                                 |                                 |
| Government securities                 | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               | 614.20               | 617.85          | 3.65                            | 0.00                            |
| Other debt securities <sup>(1)</sup>  | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               | 187.41               | 187.95          | 0.73                            | 0.18                            |
| <b>Total debt securities</b>          | <b>-</b>             | <b>-</b>     | <b>-</b>                        | <b>-</b>                        | <b>-</b>             | <b>-</b>     | <b>-</b>                        | <b>-</b>                        | <b>801.61</b>        | <b>805.80</b>   | <b>4.38</b>                     | <b>0.18</b>                     |
| Non-debt securities <sup>(2)</sup>    | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               | 193.73               | 189.57          | 7.68                            | 11.85                           |
| Subsidiaries and associates — at cost | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               | -                    | -               | -                               | -                               |
| Others <sup>(3)</sup>                 | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               | 500.31               | 501.52          | 1.21                            | 0.00                            |
| <b>Total</b>                          | <b>-</b>             | <b>-</b>     | <b>-</b>                        | <b>-</b>                        | <b>-</b>             | <b>-</b>     | <b>-</b>                        | <b>-</b>                        | <b>1,495.65</b>      | <b>1,496.89</b> | <b>13.27</b>                    | <b>12.03</b>                    |

**Fair Value Through Profit or Loss- Not Held for Trading (FVTPL-NHFT) Investments**

|                                       | As of March 31, 2023 |              |                                 |                                 | As of March 31, 2024 |              |                                 |                                 | As of March 31, 2025 |               |                                 |                                 |
|---------------------------------------|----------------------|--------------|---------------------------------|---------------------------------|----------------------|--------------|---------------------------------|---------------------------------|----------------------|---------------|---------------------------------|---------------------------------|
|                                       | Book Value           | Market Value | Value including Unrealized Gain | Value including Unrealized Loss | Book Value           | Market Value | Value including Unrealized Gain | Value including Unrealized Loss | Book Value           | Market Value  | Value including Unrealized Gain | Value including Unrealized Loss |
|                                       | (₹ billion)          |              |                                 |                                 |                      |              |                                 |                                 |                      |               |                                 |                                 |
| Government securities                 | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               | -                    | -             | -                               | -                               |
| Other debt securities <sup>(1)</sup>  | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               | 33.11                | 41.94         | 22.09                           | 13.26                           |
| <b>Total debt securities</b>          | <b>-</b>             | <b>-</b>     | <b>-</b>                        | <b>-</b>                        | <b>-</b>             | <b>-</b>     | <b>-</b>                        | <b>-</b>                        | <b>33.11</b>         | <b>41.94</b>  | <b>22.09</b>                    | <b>13.26</b>                    |
| Non-debt securities <sup>(2)</sup>    | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               | 57.77                | 60.90         | 12.01                           | 8.88                            |
| Subsidiaries and associates — at cost | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               | -                    | -             | -                               | -                               |
| Others <sup>(3)</sup>                 | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               | 98.60                | 48.95         | 7.77                            | 57.42                           |
| <b>Total</b>                          | <b>-</b>             | <b>-</b>     | <b>-</b>                        | <b>-</b>                        | <b>-</b>             | <b>-</b>     | <b>-</b>                        | <b>-</b>                        | <b>189.48</b>        | <b>151.79</b> | <b>41.87</b>                    | <b>79.56</b>                    |

## Associates and Subsidiaries (A&S) Investments

|                                       | As of March 31, 2023 |              |                                 |                                 | As of March 31, 2024 |              |                                 |                                 | As of March 31, 2025 |               |                                 |                                 |
|---------------------------------------|----------------------|--------------|---------------------------------|---------------------------------|----------------------|--------------|---------------------------------|---------------------------------|----------------------|---------------|---------------------------------|---------------------------------|
|                                       | Book Value           | Market Value | Value including Unrealized Gain | Value including Unrealized Loss | Book Value           | Market Value | Value including Unrealized Gain | Value including Unrealized Loss | Book Value           | Market Value  | Value including Unrealized Gain | Value including Unrealized Loss |
|                                       | (₹ billion)          |              |                                 |                                 |                      |              |                                 |                                 |                      |               |                                 |                                 |
| Government securities                 | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               | -                    | -             | -                               | -                               |
| Other debt securities <sup>(1)</sup>  | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               | 8.24                 | 8.24          | 0.00                            | 0.00                            |
| <b>Total debt securities</b>          | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               | <b>8.24</b>          | <b>8.24</b>   | <b>0.00</b>                     | <b>0.00</b>                     |
| Non-debt securities <sup>(2)</sup>    | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               | 0.00                 | 0.00          | 0.00                            | 0.00                            |
| Subsidiaries and associates — at cost | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               | 155.91               | 155.40        | 0.00                            | 0.51                            |
| Others <sup>(3)</sup>                 | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               | -                    | -             | -                               | -                               |
| <b>Total</b>                          | -                    | -            | -                               | -                               | -                    | -            | -                               | -                               | <b>164.15</b>        | <b>163.64</b> | <b>0.00</b>                     | <b>0.51</b>                     |

## Residual Maturity Profile

### Available for sale

The following table sets forth, as of the date indicated, an analysis of the residual maturity profile of the Bank's domestic investments in government and corporate debt securities classified as available for sale and their weighted average market yields.

|                                    | As of March 31, 2025            |              |                  |              |                   |              |                     |              |
|------------------------------------|---------------------------------|--------------|------------------|--------------|-------------------|--------------|---------------------|--------------|
|                                    | Up to One Year                  |              | One to Five Year |              | Five to Ten Years |              | More than Ten Years |              |
|                                    | Amount                          | Yield (in %) | Amount           | Yield (in %) | Amount            | Yield (in %) | Amount              | Yield (in %) |
|                                    | (₹ billion, except percentages) |              |                  |              |                   |              |                     |              |
| Government securities              | 27.31                           | 6.52         | 952.20           | 6.49         | 142.49            | 6.56         | 8.21                | 6.69         |
| Other debt securities              | 120.79                          | 7.59         | 538.19           | 7.61         | 123.21            | 7.44         | -                   | -            |
| Gross book value                   | 148.10                          | 7.39         | 1,490.39         | 6.89         | 265.70            | 6.97         | 8.21                | 6.69         |
| Total debt securities market value | 148.24                          | -            | 1,500.79         | -            | 267.96            | -            | 8.30                | -            |

|                                    | As of March 31, 2024            |              |                  |              |                   |              |                     |              |
|------------------------------------|---------------------------------|--------------|------------------|--------------|-------------------|--------------|---------------------|--------------|
|                                    | Up to One Year                  |              | One to Five Year |              | Five to Ten Years |              | More than Ten Years |              |
|                                    | Amount                          | Yield (in %) | Amount           | Yield (in %) | Amount            | Yield (in %) | Amount              | Yield (in %) |
|                                    | (₹ billion, except percentages) |              |                  |              |                   |              |                     |              |
| Government securities              | 475.12                          | 6.97         | 1,272.52         | 7.09         | 1,087.45          | 7.66         | 106.61              | 7.79         |
| Other debt securities              | 307.03                          | 7.99         | 689.60           | 8.10         | 268.01            | 7.99         | 9.04                | 13.02        |
| Gross book value                   | 782.15                          | 7.37         | 1,962.12         | 7.45         | 1,355.46          | 7.73         | 115.66              | 8.20         |
| Total debt securities market value | 774.20                          | -            | 1,951.75         | -            | 1,372.43          | -            | 111.77              | -            |

|                                    | As of March 31, 2023            |              |                  |              |                   |              |                     |              |
|------------------------------------|---------------------------------|--------------|------------------|--------------|-------------------|--------------|---------------------|--------------|
|                                    | Up to One Year                  |              | One to Five Year |              | Five to Ten Years |              | More than Ten Years |              |
|                                    | Amount                          | Yield (in %) | Amount           | Yield (in %) | Amount            | Yield (in %) | Amount              | Yield (in %) |
|                                    | (₹ billion, except percentages) |              |                  |              |                   |              |                     |              |
| Government securities              | 779.26                          | 6.80         | 1,074.86         | 7.21         | 799.14            | 7.57         | 559.44              | 8.43         |
| Other debt securities              | 480.45                          | 7.79         | 748.60           | 8.14         | 250.83            | 8.21         | 10.68               | 13.32        |
| Gross book value                   | 1,259.71                        | 7.18         | 1,823.46         | 7.59         | 1,049.97          | 7.72         | 570.12              | 8.52         |
| Total debt securities market value | 1,246.55                        | -            | 1,786.28         | -            | 1,046.71          | -            | 559.68              | -            |



### Held to maturity

The following table sets forth, as of the date indicated, an analysis of the residual maturity profile of the Bank's domestic investments in government and corporate debt securities classified as held to maturity and their weighted average market yields.

|                                    | As of March 31, 2025            |              |                  |              |                   |              |                     |              |
|------------------------------------|---------------------------------|--------------|------------------|--------------|-------------------|--------------|---------------------|--------------|
|                                    | Up to One Year                  |              | One to Five Year |              | Five to Ten Years |              | More than Ten Years |              |
|                                    | Amount                          | Yield (in %) | Amount           | Yield (in %) | Amount            | Yield (in %) | Amount              | Yield (in %) |
|                                    | (₹ billion, except percentages) |              |                  |              |                   |              |                     |              |
| Government securities              | 253.95                          | 6.58         | 3,370.89         | 6.70         | 6,599.74          | 6.88         | 1,285.77            | 6.86         |
| Other debt securities              | 154.32                          | 7.86         | 256.22           | 7.48         | 117.73            | 7.86         | 2.00                | 7.33         |
| Gross book value                   | 408.27                          | 7.06         | 3,627.11         | 6.75         | 6,717.47          | 6.89         | 1,287.77            | 6.86         |
| Total debt securities market value | 408.27                          | -            | 3,627.11         | -            | 6,717.47          | -            | 1,287.77            | -            |

|                                    | As of March 31, 2024            |              |                  |              |                   |              |                     |              |
|------------------------------------|---------------------------------|--------------|------------------|--------------|-------------------|--------------|---------------------|--------------|
|                                    | Up to One Year                  |              | One to Five Year |              | Five to Ten Years |              | More than Ten Years |              |
|                                    | Amount                          | Yield (in %) | Amount           | Yield (in %) | Amount            | Yield (in %) | Amount              | Yield (in %) |
|                                    | (₹ billion, except percentages) |              |                  |              |                   |              |                     |              |
| Government securities              | 728.88                          | 7.08         | 2,923.72         | 7.21         | 6,028.30          | 7.30         | 976.05              | 7.32         |
| Other debt securities              | 16.50                           | 7.82         | 60.31            | 7.63         | 89.40             | 7.61         | -                   | -            |
| Gross book value                   | 745.38                          | 7.10         | 2,984.03         | 7.22         | 6,117.70          | 7.30         | 976.05              | 7.32         |
| Total debt securities market value | 745.38                          | -            | 2,984.03         | -            | 6,117.70          | -            | 976.05              | -            |

|                                    | As of March 31, 2023            |              |                  |              |                   |              |                     |              |
|------------------------------------|---------------------------------|--------------|------------------|--------------|-------------------|--------------|---------------------|--------------|
|                                    | Up to One Year                  |              | One to Five Year |              | Five to Ten Years |              | More than Ten Years |              |
|                                    | Amount                          | Yield (in %) | Amount           | Yield (in %) | Amount            | Yield (in %) | Amount              | Yield (in %) |
|                                    | (₹ billion, except percentages) |              |                  |              |                   |              |                     |              |
| Government securities              | 1,026.32                        | 7.13         | 2,940.66         | 7.27         | 4,420.06          | 7.49         | 813.86              | 7.58         |
| Other debt securities              | 147.43                          | 8.09         | 55.62            | 7.73         | 110.69            | 7.61         | -                   | -            |
| Gross book value                   | 1,173.75                        | 7.25         | 2,996.28         | 7.28         | 4,530.75          | 7.50         | 813.86              | 7.58         |
| Total debt securities market value | 1,173.75                        | -            | 2,996.28         | -            | 4,530.75          | -            | 813.86              | -            |

### Held for trading

The following table sets forth, as of the date indicated, an analysis of the residual maturity profile of the Bank's domestic investments in government and corporate debt securities classified as held for trading and their weighted average market yields.

#### Fair Value Through Profit or Loss- Held for Trading (FVTPL-HFT) Investments

|                                    | As of March 31, 2025            |              |                  |              |                   |              |                     |              |
|------------------------------------|---------------------------------|--------------|------------------|--------------|-------------------|--------------|---------------------|--------------|
|                                    | Up to One Year                  |              | One to Five Year |              | Five to Ten Years |              | More than Ten Years |              |
|                                    | Amount                          | Yield (in %) | Amount           | Yield (in %) | Amount            | Yield (in %) | Amount              | Yield (in %) |
|                                    | (₹ billion, except percentages) |              |                  |              |                   |              |                     |              |
| Government securities              | 107.03                          | 6.56         | 329.10           | 6.47         | 118.21            | 6.57         | 59.86               | 6.92         |
| Other debt securities              | 1.00                            | 7.01         | 126.35           | 7.25         | 45.06             | 7.18         | 15.00               | 7.19         |
| Gross book value                   | 108.03                          | 6.57         | 455.45           | 6.69         | 163.27            | 6.74         | 74.86               | 6.98         |
| Total debt securities market value | 108.05                          | -            | 457.90           | -            | 164.19            | -            | 75.66               | -            |

#### Fair Value Through Profit or Loss- Not Held for Trading (FVTPL-NHFT) Investments

|                       | As of March 31, 2025            |              |                  |              |                   |              |                     |              |
|-----------------------|---------------------------------|--------------|------------------|--------------|-------------------|--------------|---------------------|--------------|
|                       | Up to One Year                  |              | One to Five Year |              | Five to Ten Years |              | More than Ten Years |              |
|                       | Amount                          | Yield (in %) | Amount           | Yield (in %) | Amount            | Yield (in %) | Amount              | Yield (in %) |
|                       | (₹ billion, except percentages) |              |                  |              |                   |              |                     |              |
| Government securities | -                               | -            | -                | -            | -                 | -            | -                   | -            |
| Other debt securities | 5.00                            | -            | 3.32             | 7.30         | 16.65             | 7.76         | 8.15                | 13.72        |

|                                    | As of March 31, 2025            |              |                  |              |                   |              |                     |              |
|------------------------------------|---------------------------------|--------------|------------------|--------------|-------------------|--------------|---------------------|--------------|
|                                    | Up to One Year                  |              | One to Five Year |              | Five to Ten Years |              | More than Ten Years |              |
|                                    | Amount                          | Yield (in %) | Amount           | Yield (in %) | Amount            | Yield (in %) | Amount              | Yield (in %) |
|                                    | (₹ billion, except percentages) |              |                  |              |                   |              |                     |              |
| Gross book value                   | 5.00                            | -            | 3.32             | 7.30         | 16.65             | 7.76         | 8.15                | 13.72        |
| Total debt securities market value | 0.00                            | -            | 7.25             | -            | 29.64             | -            | 5.04                | -            |

#### *Held for trading*

|                                    | As of March 31, 2024            |              |                  |              |                   |              |                     |              |
|------------------------------------|---------------------------------|--------------|------------------|--------------|-------------------|--------------|---------------------|--------------|
|                                    | Up to One Year                  |              | One to Five Year |              | Five to Ten Years |              | More than Ten Years |              |
|                                    | Amount                          | Yield (in %) | Amount           | Yield (in %) | Amount            | Yield (in %) | Amount              | Yield (in %) |
|                                    | (₹ billion, except percentages) |              |                  |              |                   |              |                     |              |
| Government securities              | 32.76                           | 6.86         | 17.50            | 7.03         | 6.55              | 7.05         | 2.00                | 7.09         |
| Other debt securities              | 4.77                            | 7.99         | 2.59             | 7.73         | 0.25              | 7.46         | -                   | -            |
| Gross book value                   | 37.53                           | 7.00         | 20.09            | 7.12         | 6.80              | 7.07         | 2.00                | 7.09         |
| Total debt securities market value | 37.55                           | -            | 20.12            | -            | 6.81              | -            | 2.02                | -            |

|                                    | As of March 31, 2023            |              |                  |              |                   |              |                     |              |
|------------------------------------|---------------------------------|--------------|------------------|--------------|-------------------|--------------|---------------------|--------------|
|                                    | Up to One Year                  |              | One to Five Year |              | Five to Ten Years |              | More than Ten Years |              |
|                                    | Amount                          | Yield (in %) | Amount           | Yield (in %) | Amount            | Yield (in %) | Amount              | Yield (in %) |
|                                    | (₹ billion, except percentages) |              |                  |              |                   |              |                     |              |
| Government securities              | 7.46                            | 5.22         | 1.25             | 7.16         | -5.57             | 7.28         | -6.41               | 7.37         |
| Other debt securities              | -                               | -            | -                | -            | -                 | -            | -                   | -            |
| Gross book value                   | 7.46                            | 5.22         | 1.25             | 7.16         | -5.57             | 7.28         | -6.41               | 7.37         |
| Total debt securities market value | 7.46                            | -            | 1.25             | -            | -5.57             | -            | -6.43               | -            |

#### *Associates and Subsidiaries (A&S) Investments*

|                                    | As of March 31, 2025            |              |                  |              |                   |              |                     |              |
|------------------------------------|---------------------------------|--------------|------------------|--------------|-------------------|--------------|---------------------|--------------|
|                                    | Up to One Year                  |              | One to Five Year |              | Five to Ten Years |              | More than Ten Years |              |
|                                    | Amount                          | Yield (in %) | Amount           | Yield (in %) | Amount            | Yield (in %) | Amount              | Yield (in %) |
|                                    | (₹ billion, except percentages) |              |                  |              |                   |              |                     |              |
| Government securities              | -                               | -            | -                | -            | -                 | -            | -                   | -            |
| Other debt securities              | 8.00                            | 7.61         | -                | -            | -                 | -            | 0.24                | 11.72        |
| Gross book value                   | 8.00                            | 7.61         | -                | -            | -                 | -            | 0.24                | 11.72        |
| Total debt securities market value | 8.00                            | -            | -                | -            | -                 | -            | 0.24                | -            |

|                                    | As of March 31, 2024            |              |                  |              |                   |              |                     |              |
|------------------------------------|---------------------------------|--------------|------------------|--------------|-------------------|--------------|---------------------|--------------|
|                                    | Up to One Year                  |              | One to Five Year |              | Five to Ten Years |              | More than Ten Years |              |
|                                    | Amount                          | Yield (in %) | Amount           | Yield (in %) | Amount            | Yield (in %) | Amount              | Yield (in %) |
|                                    | (₹ billion, except percentages) |              |                  |              |                   |              |                     |              |
| Government securities              | -                               | -            | -                | -            | -                 | -            | -                   | -            |
| Other debt securities              | -                               | -            | -                | -            | -                 | -            | -                   | -            |
| Gross book value                   | -                               | -            | -                | -            | -                 | -            | -                   | -            |
| Total debt securities market value | -                               | -            | -                | -            | -                 | -            | -                   | -            |

|                       | As of March 31, 2023            |              |                  |              |                   |              |                     |              |
|-----------------------|---------------------------------|--------------|------------------|--------------|-------------------|--------------|---------------------|--------------|
|                       | Up to One Year                  |              | One to Five Year |              | Five to Ten Years |              | More than Ten Years |              |
|                       | Amount                          | Yield (in %) | Amount           | Yield (in %) | Amount            | Yield (in %) | Amount              | Yield (in %) |
|                       | (₹ billion, except percentages) |              |                  |              |                   |              |                     |              |
| Government securities | -                               | -            | -                | -            | -                 | -            | -                   | -            |
| Other debt securities | -                               | -            | -                | -            | -                 | -            | -                   | -            |
| Gross book value      | -                               | -            | -                | -            | -                 | -            | -                   | -            |

|                                    | As of March 31, 2023            |              |                  |              |                   |              |                     |              |
|------------------------------------|---------------------------------|--------------|------------------|--------------|-------------------|--------------|---------------------|--------------|
|                                    | Up to One Year                  |              | One to Five Year |              | Five to Ten Years |              | More than Ten Years |              |
|                                    | Amount                          | Yield (in %) | Amount           | Yield (in %) | Amount            | Yield (in %) | Amount              | Yield (in %) |
|                                    | (₹ billion, except percentages) |              |                  |              |                   |              |                     |              |
| Total debt securities market value | -                               | -            | -                | -            | -                 | -            | -                   | -            |

## Funding

The Bank's funding operations are designed to ensure stability, low cost of funding and effective liquidity management. The Bank's principal sources of funds are deposits from retail and corporate customers, borrowings from the RBI and other financial institutions, foreign currency borrowings, profits from the purchase and sale of investments, and the public issuance of bonds. Retail term deposits (less than ₹ 20 million upto June 7, 2024 and less than ₹ 30 million thereafter) outstanding were ₹ 17,536 billion, ₹ 19,538 billion, and ₹ 22,085 billion and accounted for 41.23%, 41.36% and 42.74% of total domestic deposits as of March 31, 2023, 2024 and 2025, respectively.

Bank's ratio of domestic CASA deposits to its total domestic deposits as of March 31, 2023, 2024 and 2025 was 43.80%, 41.11% and 39.97%, respectively.

## Total Deposits

As of March 31, 2023, 2024 and 2025, the average cost (interest expense divided by the average of balance for the relevant period) of savings deposits was 2.72%, 2.73% and 2.72%, respectively, and the daily average cost of time deposits was 5.24%, 6.50% and 6.89%, respectively.

The deposits (domestic) for the periods set forth are as follows:

|                  | As of March 31,                 |                         |                  |                         |                  |                         |
|------------------|---------------------------------|-------------------------|------------------|-------------------------|------------------|-------------------------|
|                  | 2023                            |                         | 2024             |                         | 2025             |                         |
|                  | Amount                          | Percentage of Total (%) | Amount           | Percentage of Total (%) | Amount           | Percentage of Total (%) |
|                  | (₹ billion, except percentages) |                         |                  |                         |                  |                         |
| Current deposits | 2,814.38                        | 6.62%                   | 2,870.43         | 6.08%                   | 3,645.93         | 7.06%                   |
| Savings deposits | 15,814.66                       | 37.18%                  | 16,549.53        | 35.03%                  | 17,005.68        | 32.91%                  |
| CASA deposits    | 18,629.04                       | 43.80%                  | 19,419.96        | 41.11%                  | 20,651.61        | 39.97%                  |
| Time deposits    | 23,906.67                       | 56.20%                  | 27,823.40        | 58.89%                  | 31,017.02        | 60.03%                  |
| <b>Total</b>     | <b>42,535.71</b>                | <b>100.00%</b>          | <b>47,243.36</b> | <b>100.00%</b>          | <b>51,668.63</b> | <b>100.00%</b>          |

## Short-term Borrowings

The following table sets forth, for the periods indicated, information related to the Bank's short-term Rupee borrowings, which are comprised primarily of money-market borrowings (call borrowing and CBLO borrowing). Short-term Rupee borrowings exclude deposits and securities sold under repurchase agreements.

|                                                               | As of March 31,                 |      |      |
|---------------------------------------------------------------|---------------------------------|------|------|
|                                                               | 2023                            | 2024 | 2025 |
|                                                               | (₹ billion, except percentages) |      |      |
| Period end balance                                            | 1.50                            | -    | -    |
| Average balance during the period not captured <sup>(1)</sup> | 0.64                            | 0.51 | 0.35 |
| Average interest rate during the period <sup>(2)</sup>        | 5.92                            | 8.50 | 6.91 |
| Interest at period end <sup>(3)</sup>                         | 0.04                            | 0.04 | 0.03 |

Notes:

(1) Average daily balances outstanding which calculated based on average principal days (Sum of (Notional Amount of instrument \* Number of days to maturity)/total number of days).

(2) Represents the ratio of interest expense on short-term borrowings to the average daily balances outstanding.

(3) Represents the total interest paid on account of short-term borrowings during the period.

## Cash Flow Mismatch Analysis

The following table sets forth the Bank's structural liquidity gap position for its standalone operations as of March 31, 2025:

|                                                           | As of March 31, 2025 <sup>(1)(2)(3)</sup>  |                         |                        |              |           |
|-----------------------------------------------------------|--------------------------------------------|-------------------------|------------------------|--------------|-----------|
|                                                           | Up to 3 Months                             | Over 3 Months to 1 Year | Over 1 Year to 5 Years | Over 5 Years | Total     |
|                                                           | ( $\text{₹ billion, except percentages}$ ) |                         |                        |              |           |
| Cash and bank balances                                    | 1,414.51                                   | 529.82                  | 817.78                 | 605.94       | 3,368.05  |
| Advances                                                  | 3,317.69                                   | 5,014.84                | 21,871.77              | 11,428.82    | 41,633.12 |
| Investments                                               | 5,248.49                                   | 2,958.75                | 5,124.39               | 3,608.33     | 16,939.97 |
| Fixed assets                                              | -                                          | -                       | -                      | 441.08       | 441.08    |
| Other assets                                              | 5,084.25                                   | 3,721.49                | 3,277.35               | 900.73       | 12,983.81 |
| <b>Total inflows</b>                                      | 15,064.94                                  | 12,224.90               | 31,091.29              | 16,984.90    | 75,366.03 |
| Capital and Reserves                                      | -                                          | -                       | -                      | 4,411.62     | 4,411.62  |
| Deposits                                                  | 5,000.02                                   | 13,149.35               | 21,077.42              | 14,595.11    | 53,821.90 |
| Borrowings                                                | 1,510.32                                   | 1,472.27                | 1,195.12               | 1,458.01     | 5,635.73  |
| Other liabilities                                         | 5,197.73                                   | 3,302.74                | 1,964.61               | 1,884.85     | 12,349.93 |
| <b>Total outflows</b>                                     | 11,708.07                                  | 17,924.36               | 24,237.15              | 22,349.59    | 76,219.17 |
| Liquidity gap                                             | 3,356.87                                   | (5,699.46)              | 6,854.14               | (5,364.69)   | (853.14)  |
| Cumulative liquidity gap                                  | 3,356.87                                   | (2,342.59)              | 4,511.55               | (853.14)     | (853.14)  |
| Cumulative liabilities                                    | 11,708.07                                  | 29,632.43               | 53,869.58              | 76,219.17    | 76,219.17 |
| Cumulative liquidity gap as a % of cumulative liabilities | 28.67                                      | (7.91)                  | 8.37                   | (1.12)       | (1.12)    |

Notes:

(1) Classification methodologies are based on the Asset Liability Management Guidelines issued by the RBI.

(2) Assets and liabilities are classified into categories as per residual maturity.

(3) Assets and liabilities that do not mature or have ambiguous maturities are classified as per historical behavioral analysis or management judgment.

## Loan Portfolio

As of March 31, 2025, the Bank's gross loan portfolio was ₹ 42,207.03 billion. The majority of the Bank's gross loans and credit substitutes are to borrowers in India.

The Bank makes loans to a wide range of customers in the public and private sectors, including commercial and industrial customers, agricultural customers and individual customers, in each case within the guidelines issued by the RBI. Working capital facilities consist of revolving cash credit facilities and short-term loans. Revolving cash credit facilities, based on a traditional overdraft system of lending, have been the most common form of working capital financing in India. Pursuant to RBI guidelines, only a specified percentage of a working capital facility can be accessed as cash credit, with the balance being short-term loans having a minimum maturity of one year.

The following tables set forth, for the periods indicated, the Bank's loan portfolio.

| Particulars                          | As of March 31,        |        |        |
|--------------------------------------|------------------------|--------|--------|
|                                      | 2023                   | 2024   | 2025   |
|                                      | ( $\text{₹ billion}$ ) |        |        |
| SME loans                            | 3,593                  | 4,330  | 5,060  |
| Agriculture loans                    | 2,586                  | 3,049  | 3,485  |
| Retail loans                         | 11,792                 | 13,523 | 15,065 |
| Home loans                           | 6,407                  | 7,258  | 8,308  |
| Vehicle loans                        | 975                    | 1,165  | 1,271  |
| Personal loans                       | 3,040                  | 3,484  | 3,501  |
| Gold loans                           | 287                    | 327    | 500    |
| Others                               | 1,083                  | 1,288  | 1,485  |
| Corporate and others                 | 9,798                  | 11,382 | 12,406 |
| <b>Total Gross domestic advances</b> | 27,768                 | 32,284 | 36,016 |
| International loans                  | 4,924                  | 5,391  | 6,191  |
| <b>Total Gross advances</b>          | 32,692                 | 37,675 | 42,207 |

As of March 31, 2023, 2024 and 2025, the Bank's Retail and Agriculture and MSME (RAM) (as a percentage of domestic advances) was 64.72%, 64.74% and 65.55%, respectively.

The following table sets forth the rating-wise distribution of the Bank's CAG and CCG advances as of March 31, 2023, 2024 and 2025:

| Rating                     | As of March 31,         |                         |                         |
|----------------------------|-------------------------|-------------------------|-------------------------|
|                            | 2023                    | 2024                    | 2025                    |
|                            | Percentage of Total (%) | Percentage of Total (%) | Percentage of Total (%) |
| AAA and above              | 42.57%                  | 42.55%                  | 41.50%                  |
| AA                         | 24.32%                  | 27.20%                  | 25.76%                  |
| A                          | 14.97%                  | 15.71%                  | 17.47%                  |
| BBB                        | 6.99%                   | 6.45%                   | 6.70%                   |
| <b>Total BBB and above</b> | <b>88.84%</b>           | <b>91.92%</b>           | <b>91.43%</b>           |
| <b>Total BB and below</b>  | <b>3.14%</b>            | <b>2.68%</b>            | <b>2.38%</b>            |
| <b>Unrated</b>             | <b>8.02%</b>            | <b>5.41%</b>            | <b>6.19%</b>            |
| <b>Total</b>               | <b>100.00%</b>          | <b>100.00%</b>          | <b>100.00%</b>          |

The following table sets forth the Bank's total advances based on the lending rate as of March 31, 2023, 2024 and 2025:

| Rating            | As of March 31,                  |                                  |                                  |
|-------------------|----------------------------------|----------------------------------|----------------------------------|
|                   | 2023                             | 2024                             | 2025                             |
|                   | Percentage of Total Advances (%) | Percentage of Total Advances (%) | Percentage of Total Advances (%) |
| Base Rate         | 1.63                             | 0.98                             | 0.52                             |
| MCLR              | 40.58                            | 34.00                            | 31.78                            |
| EBLR              | 34.45                            | 40.85                            | 43.32                            |
| Others            | 23.34                            | 24.17                            | 24.38                            |
| Domestic Advances | 100.00                           | 100.00                           | 100.00                           |

The table below shows the amount of the Bank's net advances which are secured or covered by guarantees, as at the dates indicated.

| Rating                                                             | As of March 31,    |                                  |                    |                                  |                    |                                  |
|--------------------------------------------------------------------|--------------------|----------------------------------|--------------------|----------------------------------|--------------------|----------------------------------|
|                                                                    | 2023               |                                  | 2024               |                                  | 2025               |                                  |
|                                                                    | Amount (₹ billion) | Percentage of Total Advances (%) | Amount (₹ billion) | Percentage of Total Advances (%) | Amount (₹ billion) | Percentage of Total Advances (%) |
| Secured by tangible assets (including advances against book debts) | 21,358.05          | 66.76%                           | 23,917.75          | 64.57%                           | 27,363.35          | 65.72%                           |
| Covered by bank or Government guarantees                           | 1,331.00           | 4.16%                            | 1,931.47           | 5.21%                            | 2,209.31           | 5.31%                            |
| Unsecured                                                          | 9,303.65           | 29.08%                           | 11,190.49          | 30.21%                           | 12,060.46          | 28.97%                           |
| <b>Total</b>                                                       | <b>31,992.70</b>   | <b>100.00%</b>                   | <b>37,039.71</b>   | <b>100.00%</b>                   | <b>41,633.12</b>   | <b>100.00%</b>                   |

### Interest Rate Sensitivity Analysis

The following table sets forth the interest rate sensitivity analysis of the Bank's assets and liabilities as of March 31, 2025:

|                            | Up to 3 months | 3 months to 1 year | 1 year to 5 years | Over 5 years | Non-Sensitive | Total     |
|----------------------------|----------------|--------------------|-------------------|--------------|---------------|-----------|
|                            | (₹ billion)    |                    |                   |              |               |           |
| Assets                     |                |                    |                   |              |               |           |
| Cash and Balances with RBI | -              | -                  | -                 | -            | 2,272.17      | 2,272.17  |
| Balances with other banks  | 125.16         | 42.09              | -                 | -            | 928.62        | 1,095.87  |
| Advances                   | 27,351.23      | 7,788.64           | 5,475.68          | 1,017.56     | -             | 41,633.12 |
| Investments                | 1,168.94       | 1,564.10           | 5,920.97          | 7,623.33     | 662.63        | 16,939.97 |
| Fixed Assets               | -              | -                  | -                 | -            | 441.08        | 441.08    |
| Other Assets               | 46.72          | 21.47              | 6.55              | 0.39         | 4,303.19      | 4,378.32  |
| Forex Swaps                | 3,081.90       | 3,439.99           | 1,208.64          | 9.17         | -             | 7,739.70  |
| Total Assets               | 31,773.95      | 12,856.29          | 12,611.84         | 8,650.45     | 8,607.69      | 74,500.22 |
| OBS Items                  | 1,136.06       | 1,597.49           | 3,288.60          | 125.81       | -             | 6,147.96  |
| Total RSA/Assets           | 32,910.01      | 14,453.79          | 15,900.44         | 8,776.27     | 8,607.69      | 80,648.20 |
|                            |                |                    |                   |              |               |           |
| Liabilities                |                |                    |                   |              |               |           |
| Capital and Reserve        | -              | -                  | -                 | -            | 4,411.62      | 4,411.62  |
| Deposits                   | 8,636.69       | 17,620.83          | 27,092.05         | 472.32       | -             | 53,821.89 |

|                              | Up to 3 months   | 3 months to 1 year | 1 year to 5 years | Over 5 years    | Non-Sensitive   | Total            |
|------------------------------|------------------|--------------------|-------------------|-----------------|-----------------|------------------|
|                              | (₹ billion)      |                    |                   |                 |                 |                  |
| Borrowings                   | 2,889.54         | 952.62             | 483.38            | 1,310.17        | -               | 5,635.71         |
| Other Liabilities            | 5,186.50         | 3,869.83           | 1,134.78          | 22.85           | 1,075.12        | 11,289.08        |
| Total Liabilities            | 16,712.73        | 22,443.28          | 28,710.21         | 1,805.34        | 5,486.74        | 75,158.30        |
| OBS Items                    | 1,762.98         | 1,647.30           | 2,764.71          | 126.24          | -               | 6,301.23         |
| <b>Total RSL/Liabilities</b> | <b>18,475.71</b> | <b>24,090.59</b>   | <b>31,474.93</b>  | <b>1,931.59</b> | <b>5,486.74</b> | <b>81,459.56</b> |

### Concentration of Loans and Credit Substitutes

The Bank follows a policy of portfolio diversification and evaluates its total financing exposure in a particular industry in the light of the Bank's growth and profitability forecasts for that industry. The Bank's Risk Department monitors all major sectors of the economy and specifically follows industries in which the Bank has credit exposure. The Bank actively manages its loan portfolio by responding to economic weaknesses in an industry segment by restricting new credits to that industry segment and by increasing new credits to growing industry segments. In order to avoid concentration, the Bank has set internal ceilings on portfolio exposures to different industry sectors.

The following tables set forth, at the dates indicated, the Bank's industry portfolio for corporate and SME advances by borrower industry or economic activity.

|                            | As at March 31,                |                |                                |                |                                |                |
|----------------------------|--------------------------------|----------------|--------------------------------|----------------|--------------------------------|----------------|
|                            | 2023                           |                | 2024                           |                | 2025                           |                |
|                            | Amount of Loans<br>(₹ billion) | Percentage (%) | Amount of Loans<br>(₹ billion) | Percentage (%) | Amount of Loans<br>(₹ billion) | Percentage (%) |
| Infrastructure             | 3,733.29                       | 27.88%         | 3,946.81                       | 25.12%         | 3,973.20                       | 22.75%         |
| – of which: Power          | 1,923.00                       | 14.36%         | 2,047.29                       | 13.03%         | 2,274.08                       | 13.02%         |
| – Telecommunication        | 398.51                         | 2.98%          | 303.76                         | 1.93%          | 256                            | 1.47%          |
| – Roads & Ports            | 1,055.67                       | 7.88%          | 1,128.35                       | 7.18%          | 1,016.09                       | 5.82%          |
| – Other Infrastructure     | 356.11                         | 2.66%          | 467.41                         | 2.97%          | 427.03                         | 2.44%          |
| Services                   | 3,573.01                       | 26.68%         | 4,549.05                       | 28.95%         | 5,013.48                       | 28.70%         |
| Iron & Steel               | 467.17                         | 3.49%          | 661.36                         | 4.21%          | 634.17                         | 3.63%          |
| Aviation & Airports        | 167.31                         | 1.25%          | 212.73                         | 1.35%          | 245.32                         | 1.40%          |
| Tourism & Hotels           | 110.89                         | 0.83%          | 131.35                         | 0.84%          | 106.18                         | 0.61%          |
| Textiles                   | 347.11                         | 2.59%          | 387.55                         | 2.47%          | 397.54                         | 2.28%          |
| Petroleum & Petrochemicals | 503.31                         | 3.76%          | 586.67                         | 3.73%          | 657.73                         | 3.77%          |
| Engineering                | 213.23                         | 1.59%          | 263.1                          | 1.67%          | 371.28                         | 2.13%          |
| Commercial Real Estate     | 478.44                         | 3.57%          | 580.59                         | 3.70%          | 699.55                         | 4.01%          |
| Other Industries           | 3,796.63                       | 28.35%         | 4,393.18                       | 27.96%         | 5,367.73                       | 30.73%         |
| <b>All Industries</b>      | <b>13,390.38</b>               | <b>100.00%</b> | <b>15,712.39</b>               | <b>100.00%</b> | <b>17,466.18</b>               | <b>100.00%</b> |

The Bank's exposure (fund based) to its twenty largest borrowers as of March 31, 2025 was ₹ 5,910.12 billion.

### Priority Sector Lending

As stipulated by the RBI guidelines, commercial banks in India are required to lend, through advances or investment, 40.00% of their adjusted net bank credit ("ANBC") or credit equivalent amount of off-balance sheet exposures, whichever is higher, to certain specified "priority sectors", subject to certain exemptions permitted by the RBI from time to time. We actively extend financial support and finance to such sectors. Our "priority sector" advances include loans to the agriculture, small-scale industries and services, loans to certain sectors targeted as requiring special assistance, such as education, food and agriculture-based processing sectors, and loans to the housing sector. Although the GoI and the RBI have identified the "priority sectors" and provided lending guidelines, we have complete discretion in determining the commercial terms and conditions in extending financing to borrowers in such sectors.

In the case of non-achievement of priority sector lending targets, including sub-targets, we are required to invest in the Rural Infrastructure Development Fund established with NABARD and other government directed funds as decided by the RBI from time to time. The amount to be deposited, interest rates on such deposits and periods of deposits, and other terms, are determined by the RBI from time to time. We report priority sector loans to the RBI on a quarterly basis. Pursuant to the RBI guidelines, at least 18.00% of ANBC or credit equivalent amount of off-balance sheet exposures, which is higher, and 7.50% of ANBC or credit equivalent amount of off-balance sheet exposures, which is higher, is also required to be provided to the agriculture sector and micro enterprises sector, respectively, within priority sector lending requirements. Our Bank's advances to the agriculture sector and micro enterprises sector as a percentage of our ANBC was 17.01% and 7.64%, as of March 31, 2025.

As of March 31, 2023, 2024 and 2025, our outstanding priority sector lending, as a percentage of our ANBC were 40.05 %, 40.94 % and 40.00 %, respectively. The following table presents certain information on our outstanding priority sector lending, as a percentage of our ANBC as of the dates indicated:

| Particulars                   | As of March 31,       |                           |                       |                           |                       |                           |
|-------------------------------|-----------------------|---------------------------|-----------------------|---------------------------|-----------------------|---------------------------|
|                               | 2023                  |                           | 2024                  |                           | 2025                  |                           |
|                               | Amount<br>(₹ billion) | Percentage of<br>ANBC (%) | Amount<br>(₹ billion) | Percentage of<br>ANBC (%) | Amount<br>(₹ billion) | Percentage of<br>ANBC (%) |
| Agriculture credit            | 4,757                 | 18.67%                    | 5,378                 | 18.55%                    | 5,650                 | 17.01%                    |
| MSMEs                         | 3,182                 | 12.49%                    | 3,672                 | 12.67%                    | 5,105                 | 15.37%                    |
| Other Priority Sectors credit | 2,264                 | 8.89%                     | 2,820                 | 9.72%                     | 2,439                 | 7.62%                     |
| Priority Sectors credit total | 10,203                | 40.05%                    | 11,871                | 40.94%                    | 13,281                | 40.00%                    |
| Adjusted net bank credit      | 25,474                | 100.00%                   | 28,993                | 100.00%                   | 33,208                | 100.00%                   |

Note:

(1) All figures and % to ANBC for March 31, 2023, 2024, 2025 are on a quarterly average basis.

(2) The RBI has set a target of 40% of ANBCs for the priority sectors credit total, with 18% of ANBCs allocated to agriculture credit, 7.5% of ANBCs for micro enterprises and 12% of ANBCs for advances to weaker sections.

The RBI also requires commercial banks to advance at least 12.00% of adjusted net bank credit to weaker sections identified by the RBI. Our Bank actively participates in various Government sponsored schemes, such as, Prime Minister's Employment Generation Programme, National Rural Livelihood Mission, National Urban Livelihood Mission, Differential Rate of Interest Scheme, Stand-Up India and Pradhan Mantri Mudra Yojana. Our Bank's performance under some of the Government schemes as of March 31, 2025 is as under:

| Scheme                               | Outstanding as of March 31, 2025<br>(₹ billion) |
|--------------------------------------|-------------------------------------------------|
| Stand-Up India                       | 62.09                                           |
| Mudra                                | 526.16                                          |
| PMEGP                                | 50.00                                           |
| National Rural Livelihood Mission    | 528.67                                          |
| National Urban Livelihood Mission    | 1.95                                            |
| Differential Rate of Interest Scheme | 0.01                                            |

In particular, under the differential rate of interest scheme, we extend loans to the lower-income sections of the community that are engaged in productive ventures at an interest rate of 4.00% per annum to meet their credit requirements.

### Fee-based income

The following table presents a breakdown of the Bank's fee-based income as of the dates indicated:

| Particulars                   | As of March 31, |               |               |
|-------------------------------|-----------------|---------------|---------------|
|                               | 2023            | 2024          | 2025          |
|                               | (₹ billion)     |               |               |
| Loan Processing Charges       | 50.39           | 58.67         | 60.27         |
| Commission on Govt. Business  | 39.53           | 39.19         | 39.14         |
| Commission on LC/BG           | 31.34           | 32.10         | 34.91         |
| Cross Selling                 | 36.41           | 38.91         | 45.46         |
| Remittance, Collection, etc.  | 66.82           | 63.47         | 68.66         |
| Miscellaneous Fee Income      | 37.96           | 48.92         | 60.75         |
| <b>Total fee-based income</b> | <b>262.45</b>   | <b>281.26</b> | <b>309.19</b> |

### Regional Concentration

The Bank's widespread branch network enables the Bank to diversify its lending risks geographically. The following table presents an analysis of the Bank's domestic advances by region as of the dates indicated.

| Circle      | As of March 31, |          |          |
|-------------|-----------------|----------|----------|
|             | 2023            | 2024     | 2025     |
|             | (₹ billion)     |          |          |
| Ahmedabad   | 892.60          | 1,021.37 | 1,158.95 |
| Bangalore   | 1,458.30        | 1,690.38 | 1,895.88 |
| Bhopal      | 1,104.75        | 1,273.79 | 1,453.89 |
| Bhubaneswar | 495.49          | 595.15   | 665.34   |
| Chandigarh  | 1,107.67        | 1,269.29 | 1,387.63 |
| Chennai     | 1,592.50        | 1,842.44 | 2,142.45 |

| Circle                          | As of March 31,  |                  |                  |
|---------------------------------|------------------|------------------|------------------|
|                                 | 2023             | 2024             | 2025             |
| Delhi                           | 1,136.13         | 1,260.51         | 1,391.47         |
| Hyderabad                       | 1,244.59         | 1,468.41         | 1,706.22         |
| Kolkata                         | 813.24           | 950.92           | 1,104.23         |
| Lucknow                         | 758.96           | 866.81           | 991.47           |
| Mumbai Metro                    | 834.97           | 1,009.35         | 1,116.29         |
| North East                      | 703.74           | 824.32           | 903.60           |
| Patna                           | 845.01           | 1,014.87         | 1,141.04         |
| Thiruvananthapuram              | 962.36           | 1,112.50         | 1,227.47         |
| Jaipur                          | 995.02           | 1,113.95         | 1,250.80         |
| Maharashtra                     | 1,345.99         | 1,596.51         | 1,854.23         |
| Amravati                        | 1,494.01         | 1,758.53         | 1,960.43         |
| Corporate Centre <sup>(1)</sup> | 9,983.00         | 11,615.00        | 12,665.00        |
| <b>Total domestic advances</b>  | <b>27,768.00</b> | <b>32,284.00</b> | <b>36,016.20</b> |

Note: (1) The Corporate Centre houses the Corporate Banking Group and the Mid-Corporate Group. The Corporate Banking Group comprises three strategic business units, namely Corporate Accounts, Project Finance, and the Financial Institution Business Unit. Also housed at the Corporate Centre is the Stressed Assets Management Group ("SAMG"). The Corporate Accounts group has offices in Chennai, Mumbai, Kolkata, New Delhi, Hyderabad and Ahmedabad and the corporate Finance group's office is located in Mumbai. However, these two business groups extend loans to borrowers located throughout India.

## Non-Performing Assets

The Bank has in the past suffered losses through impairment of loans as some borrowers were impacted by negative trends in the global market place, recessionary conditions in the domestic economy, increased competition and volatility in industrial growth and commodity prices. The Bank has adopted several measures to refine its credit selection processes and appraisal capabilities.

The management of NPAs has been one of the focus areas of the Bank with the objective to achieve global benchmarks. Towards this goal, the Bank has focused on:

- identification and monitoring of Special Mention Accounts as per RBI guidelines in order to check the movement of Standard Assets into the NPA category, conducting regular reviews and taking quick corrective action;
- restructuring impaired standard accounts as well as viable NPAs, both under the Corporate Debt Restructuring ("CDR") scheme developed by the RBI as well as under the Bank's own scheme for limiting NPAs;
- upgrading the Bank's assets; and
- high-value accounts and cases referred to the BIFR.

The Bank's gross NPA ratio decreased from 2.78% as of March 31, 2023 to 2.24% as of March 31, 2024 and was 1.82% as of March 31, 2025. The Bank's net NPA ratio decreased from 0.67% as of March 31, 2023 to 0.57% as of March 31, 2024 and was 0.47% as of March 31, 2025.

See "Risk Factors — Risks Relating to Our Business — Our business and financial condition may be adversely affected in case of an increase in the level of non-performing assets in our portfolio or RBI mandated provisioning requirements." on page 37.

The following table sets forth, for the periods indicated, information about the Bank's NPA portfolio.

|                                                    | As of March 31,                 |              |              |
|----------------------------------------------------|---------------------------------|--------------|--------------|
|                                                    | 2023                            | 2024         | 2025         |
|                                                    | (₹ billion, except percentages) |              |              |
| <b>Non-Performing Assets</b>                       |                                 |              |              |
| Gross NPAs                                         | 909.28                          | 842.76       | 768.80       |
| Specific provisions                                | 692.70                          | 630.34       | 570.22       |
| Floating provisions                                | 1.92                            | 1.92         | 1.92         |
| NPA net of provisions                              | 214.67                          | 210.51       | 196.67       |
| Gross customer assets                              | 32,692.42                       | 37,675.35    | 42,207.03    |
| Net customer assets                                | 31,992.69                       | 37,039.71    | 41,633.12    |
| Gross NPAs/gross customer assets (%)               | 2.78%                           | 2.24%        | 1.82%        |
| Net NPAs/net customer assets (%)                   | 0.67%                           | 0.57%        | 0.47%        |
| Specific provision as a percentage of gross NPAs   | 76.18%                          | 74.79%       | 74.17%       |
| Total provisions as a percentage of gross NPAs     | 76.39%                          | 75.02%       | 74.42%       |
| Provision cover (including technical write-offs)   | 91.91%                          | 91.89%       | 92.08%       |
| Fresh Slippage Amount                              | 184.21                          | 203.17       | 208.18       |
| <b>Recoveries in technical write-offs accounts</b> | <b>70.97</b>                    | <b>69.34</b> | <b>80.02</b> |



The Bank's provision coverage ratio (including technical write-off) as of March 31, 2023, 2024 and 2025 computed as per RBI guidelines, was 91.91%, 91.89% and 92.08%, respectively.

Details of the Bank's NCLT accounts as of March 31, 2025 are as below:

| Parameters             | Accounts     | Balance<br>(₹ billion) | Provision<br>(₹ billion)                            | Provision Coverage<br>Ratio (%) |
|------------------------|--------------|------------------------|-----------------------------------------------------|---------------------------------|
| RBI List 1             | 11           | 172.88                 | 172.88 (Advances Under Collection Account ("AUCA")) | 100.00%                         |
| RBI List 2             | 18           | 141.60                 | 10.39 (NPA) + 131.21 (AUCA)                         | 100.00%                         |
| Filed by the Bank      | 265          | 296.19                 | 57.12 (NPA) + 237.71 (AUCA)                         | 99.54%                          |
| Filed by other lenders | 711          | 633.16                 | 195.77 (NPA) + 415.55 (AUCA)                        | 96.55%                          |
| <b>Total</b>           | <b>1,005</b> | <b>1,243.83</b>        | <b>263.28 (NPA) + 957.36 (AUCA)</b>                 | <b>98.14%</b>                   |

### Provisions for NPAs

The following table sets forth, for the periods indicated, movements in the Bank's provisions against NPAs.

|                                                                        | Year Ended March 31, |               |               |
|------------------------------------------------------------------------|----------------------|---------------|---------------|
|                                                                        | 2023                 | 2024          | 2025          |
|                                                                        | (₹ billion)          |               |               |
| <b>Specific provisions:</b>                                            |                      |               |               |
| Specific provisions at the beginning of the period                     | 838.66               | 692.69        | 630.64        |
| Additions during the period                                            | 91.90                | 94.69         | 144.46        |
| Reductions during the period on account of recovery and write-offs     | 237.87               | 157.05        | 204.58        |
| Specific provisions at the end of the period                           | 692.69               | 630.64        | 570.22        |
| <b>Floating provisions:</b>                                            |                      |               |               |
| Floating provisions at the beginning of the period                     | 1.92                 | 1.92          | 1.92          |
| Additions during the period                                            | -                    | -             | -             |
| Utilizations during the period                                         | -                    | -             | -             |
| Floating provisions at the end of the period                           | 1.92                 | 1.92          | 1.92          |
| <b>Total specific and floating provisions at the end of the period</b> | <b>694.62</b>        | <b>632.26</b> | <b>572.14</b> |

The following tables set forth the details of the movement in NPAs for the periods indicated:

|                          | Fiscal 2023                     | Fiscal 2024  | Fiscal 2025  |
|--------------------------|---------------------------------|--------------|--------------|
|                          | (₹ billion, except percentages) |              |              |
| Cash Recovery            | 130.25                          | 82.36        | 62.48        |
| Up gradation             | 32.34                           | 32.37        | 29.63        |
| Write Off                | 240.61                          | 161.61       | 203.09       |
| Gross Reduction          | 403.19                          | 276.33       | 295.20       |
| Gross Slippages          | 192.24                          | 209.82       | 221.24       |
| Net Increase/ (Decrease) | (210.95)                        | (66.51)      | (73.96)      |
| <b>Gross NPA%</b>        | <b>2.78%</b>                    | <b>2.24%</b> | <b>1.82%</b> |

The following table sets forth the classification of gross loan assets of the Bank at the dates indicated.

|                       | As of March 31,  |                  |                  |
|-----------------------|------------------|------------------|------------------|
|                       | 2023             | 2024             | 2025             |
|                       | (₹ billion)      |                  |                  |
| Standard              | 31,783.14        | 36,832.58        | 41,438.23        |
| Non-performing assets | 909.28           | 842.77           | 768.80           |
| Sub-standard assets   | 126.66           | 149.97           | 158.30           |
| Doubtful assets       | 512.04           | 415.52           | 366.72           |
| Loss assets           | 270.58           | 277.28           | 243.78           |
| <b>Total</b>          | <b>32,692.42</b> | <b>37,675.35</b> | <b>42,207.03</b> |

The following tables set forth the details of the Bank's credit cost and slippage ratio as at the dates indicated:

|                                             | As of March 31, |       |       |
|---------------------------------------------|-----------------|-------|-------|
|                                             | 2023            | 2024  | 2025  |
| Credit Cost (NPA provisions) <sup>(1)</sup> | 0.32%           | 0.29% | 0.38% |
| Slippage Ratio (%) <sup>(2)</sup>           | 0.65%           | 0.62% | 0.55% |

Notes:

(1) Credit Cost = (NPA provision during the period / gross advances at the beginning of the period)\*100

(2) Slippage Ratio = (Fresh slippages during the period / gross advances at the beginning of the period)\*100

The following table sets forth the Bank's NPAs for its top ten industry-wise largest NPA accounts, as of March 31, 2025.

| Industry                    | Gross Principal Outstanding |
|-----------------------------|-----------------------------|
|                             | (₹ billion)                 |
| Trading                     | 71.95                       |
| Roads & Ports               | 50.61                       |
| Food Processing             | 45.47                       |
| Telecom                     | 29.03                       |
| Infra Others                | 22.23                       |
| Readymade Textiles/Textiles | 19.21                       |
| NBFC                        | 15.24                       |
| Engineering                 | 12.37                       |
| Gems & Jewelry              | 12.28                       |
| Power                       | 10.34                       |
| <b>Total</b>                | <b>288.73</b>               |

## Recognition of NPAs and Provisioning

### RBI Classification and Provisioning Requirements

The Bank classifies its assets in accordance with the RBI guidelines. The guidelines require Indian banks to classify their NPAs into three categories, as described below, based on the period for which the asset has remained nonperforming and the estimated realization of amounts due in relation to such asset. Further, the NPA classification is at the borrower level, rather than at the facility level and, accordingly, if one of the advances granted to a borrower becomes non-performing, such borrower is classified as non-performing and all advances due from it are so classified.

A non-performing asset is a loan or an advance where: (i) interest and/or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan; (ii) the account remains "out of order" in respect of an overdraft of cash credit; (iii) the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted; (iv) the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops; (v) the instalment of principal or interest thereon remains overdue for one crop season for long duration crops; (vi) the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of the Reserve Bank of India (Securitization of Standard Assets) Directions, 2021; or (vii) in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment. According to guidelines specified by RBI, an account should be classified as an NPA on the basis of the record of recovery and not merely on deficiencies which are temporary in nature, such as non-renewal of limits on the due date or non-submission of stock statements.

Further, RBI requires the banks to classify an account as a non-performing asset only if the interest due and charged during any quarter is not serviced fully within 90 days from the end of the quarter.

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Standard asset     | Performing assets are Standard assets which do not disclose any problem and which do not carry more than the normal risk attached to the business. The performing asset is one which generates income for the bank.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Sub-standard asset | With effect from March 31, 2005, a Sub-standard Asset would be one which has remained a NPA for a period less than or equal to 12 months.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Doubtful asset     | With effect from March 31, 2005, and in accordance with RBI guidelines, a doubtful asset is an asset that has remained in the substandard category for a period of 12 months. Further, these doubtful assets are to be classified into the following three categories, depending on the period for which such assets have been classified as doubtful: <ul style="list-style-type: none"> <li>assets which have remained in the doubtful category for a period of up to one year;</li> <li>assets which have remained in the doubtful category for a period of more than one year but less than three years; and</li> <li>assets which have remained in the doubtful category for a period of more than three years.</li> </ul> |
| Loss asset         | In accordance with RBI guidelines, a loss asset is an asset where loss has been identified by the bank or internal or external auditors or RBI at the time of inspection, but the amount has not been written off wholly. In cases of                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | serious credit impairment, an asset is required to be immediately classified as doubtful or as a loss asset, as appropriate. Further, erosion in the value of the security provided may also be considered significant when the realizable value of the security is less than 50.00% of the value as assessed by the bank or as accepted by RBI at the time of the last inspection of the security, as the case may be. In such a case, the assets secured by such impaired security may immediately be classified as doubtful, and provisioning should be made as applicable to doubtful assets. If the realizable value of the security, as assessed by the bank or approved valuation agents or by RBI, is less than 10.00% of the outstanding amount in the borrower's accounts, the existence of security should be ignored and the asset should be immediately classified as a loss asset and it may be either written off or fully provided for by the bank. |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

The following table provides a summary of the Bank's gross loan assets as of the periods indicated, in accordance with RBI classifications.

| Asset Category      | As of March 31,  |                  |                  |
|---------------------|------------------|------------------|------------------|
|                     | 2023             | 2024             | 2025             |
|                     | (₹ billion)      |                  |                  |
| Standard assets     | 31,783.14        | 36,832.58        | 41,438.23        |
| Sub-standard assets | 126.66           | 149.97           | 158.30           |
| Doubtful assets     | 512.04           | 415.52           | 366.72           |
| Loss assets         | 270.58           | 277.28           | 243.78           |
| <b>Total</b>        | <b>32,692.42</b> | <b>37,675.35</b> | <b>42,207.03</b> |

The following table sets forth the Bank's provisions for possible credit losses at the dates indicated.

| Asset Category                                 | As of March 31, |        |        |
|------------------------------------------------|-----------------|--------|--------|
|                                                | 2023            | 2024   | 2025   |
| Provision held (₹ billion)                     | 694.62          | 632.26 | 572.14 |
| Provision held as percentage of gross advances | 2.12%           | 1.68%  | 1.36%  |
| Provision held as percentage of gross NPAs     | 76.39%          | 75.02% | 74.42% |

### Non-Accrual Policy

When an asset is classified as non-performing, interest accrual is stopped and the unrealized interest is reversed by debit to the profit and loss account. In accordance with the RBI guidelines, interest realized on NPAs may be added to the income account provided the credits in the accounts towards interest are not out of additional credit facilities sanctioned to the borrower. The RBI has also stipulated that in the absence of a clear agreement between the Bank and the borrower for the purpose of appropriating recoveries in NPAs (i.e. towards principal or interest due), banks should adopt an accounting principle and exercise the right of appropriation of recoveries in a uniform and consistent manner.

### Analysis of Non-Performing Loans by Industry Sector

The following tables set forth the Bank's NPAs, by borrowers' industry or economic activity and as a percentage of its loans in the respective industry or economic activities sector for Fiscals 2023, 2024 and 2025. These figures do not include credit substitutes.

| Name of the Industry                                                | March 31, 2023                  |       |                      | March 31, 2024 |       |                      | March 31, 2025 |       |                      |
|---------------------------------------------------------------------|---------------------------------|-------|----------------------|----------------|-------|----------------------|----------------|-------|----------------------|
|                                                                     | Gross Loans                     | NPA   | % of NPA in Industry | Gross Loans    | NPA   | % of NPA in Industry | Gross Loans    | NPA   | % of NPA in Industry |
|                                                                     | (₹ billion, except percentages) |       |                      |                |       |                      |                |       |                      |
| Mining and Quarrying                                                | 81.29                           | 0.76  | 0.93%                | 63.15          | 0.62  | 0.98%                | 95.13          | 1.06  | 1.11%                |
| Food Processing                                                     | 541.80                          | 39.12 | 7.22%                | 654.00         | 40.24 | 6.15%                | 889.64         | 45.47 | 5.11%                |
| Textiles                                                            | 341.55                          | 19.14 | 5.60%                | 381.00         | 17.14 | 4.50%                | 395.48         | 19.21 | 4.86%                |
| Leather and Leather Products                                        | 21.87                           | 1.58  | 7.22%                | 21.27          | 1.00  | 4.70%                | 23.70          | 0.79  | 3.33%                |
| Wood and Wood Products                                              | 6.90                            | 0.69  | 10.00%               | 8.35           | 0.52  | 6.23%                | 9.83           | 0.76  | 7.73%                |
| Paper and Paper Products                                            | 51.15                           | 2.72  | 5.32%                | 54.47          | 2.02  | 3.71%                | 56.36          | 2.81  | 4.99%                |
| Petroleum (Non-infra), Coal Products (Non-mining) and Nuclear Fuels | 562.56                          | 7.03  | 1.25%                | 641.14         | 5.17  | 0.81%                | 696.85         | 5.43  | 0.78%                |
| Chemicals and Chemical Products (Dyes, Paints, among others)        | 210.56                          | 9.92  | 4.71%                | 230.17         | 3.35  | 1.46%                | 237.09         | 3.63  | 1.53%                |
| Rubber, Plastic and their Products                                  | 67.25                           | 3.76  | 5.59%                | 75.34          | 3.27  | 4.34%                | 77.98          | 2.74  | 3.51%                |

| Name of the Industry                           | March 31, 2023                  |               |                      | March 31, 2024   |               |                      | March 31, 2025   |               |                      |
|------------------------------------------------|---------------------------------|---------------|----------------------|------------------|---------------|----------------------|------------------|---------------|----------------------|
|                                                | Gross Loans                     | NPA           | % of NPA in Industry | Gross Loans      | NPA           | % of NPA in Industry | Gross Loans      | NPA           | % of NPA in Industry |
|                                                | (₹ billion, except percentages) |               |                      |                  |               |                      |                  |               |                      |
| Glass and Glassware                            | 12.88                           | 0.07          | 0.54%                | 17.97            | 0.03          | 0.17%                | 18.71            | 0.08          | 0.43%                |
| Cement and Cement Products                     | 68.59                           | 7.17          | 10.45%               | 75.40            | 6.91          | 9.16%                | 75.26            | 4.10          | 5.45%                |
| Basic Metal and Metal Products                 | 749.14                          | 12.04         | 1.61%                | 898.66           | 6.67          | 0.74%                | 960.69           | 7.19          | 0.75%                |
| All Engineering                                | 213.24                          | 20.80         | 9.75%                | 263.11           | 14.95         | 5.68%                | 371.28           | 12.37         | 3.33%                |
| Vehicle, Vehicle Parts and Transport Equipment | 218.11                          | 13.88         | 6.36%                | 395.06           | 13.09         | 3.31%                | 479.68           | 6.93          | 1.44%                |
| Gems and Jewellery                             | 134.08                          | 14.19         | 10.58%               | 119.17           | 12.83         | 10.77%               | 106.69           | 12.28         | 11.51%               |
| Construction                                   | 95.28                           | 5.41          | 5.68%                | 139.93           | 5.73          | 4.09%                | 176.27           | 6.20          | 3.52%                |
| Infrastructure                                 | 390.77                          | 55.33         | 14.16%               | 1,569.15         | 120.77        | 7.70%                | 1,433.88         | 72.84         | 5.08%                |
| Other Industries                               | 28,925.40                       | 695.67        | 2.41%                | 32,068.01        | 588.45        | 1.84%                | 36,102.51        | 564.91        | 1.56%                |
| <b>Grand Total</b>                             | <b>32,692.42</b>                | <b>909.28</b> | <b>2.78%</b>         | <b>37,675.35</b> | <b>842.76</b> | <b>2.24%</b>         | <b>42,207.03</b> | <b>768.80</b> | <b>1.82%</b>         |

Business segment analysis of the Bank's NPA portfolio as of the dates indicated.

| Business segment       | As of March 31,                 |          |        |          |        |          |
|------------------------|---------------------------------|----------|--------|----------|--------|----------|
|                        | 2023                            |          | 2024   |          | 2025   |          |
|                        | (₹ billion, except percentages) |          |        |          |        |          |
|                        | GNPA                            | GNPA (%) | GNPA   | GNPA (%) | GNPA   | GNPA (%) |
| Retail Loans           | 74.34                           | 8.18%    | 94.96  | 11.27%   | 111.32 | 14.48%   |
| - Housing              | 33.82                           | 3.72%    | 42.20  | 5.01%    | 44.43  | 5.78%    |
| - Car/ Vehicle         | 4.16                            | 0.46%    | 4.32   | 0.51%    | 4.68   | 0.61%    |
| - Education            | 3.72                            | 0.41%    | 3.77   | 0.45%    | 3.31   | 0.43%    |
| - Others               | 32.64                           | 3.59%    | 44.67  | 5.30%    | 58.90  | 7.66%    |
| Agriculture and allied | 296.75                          | 32.64%   | 292.13 | 34.66%   | 293.89 | 38.23%   |
| MSME                   | 170.93                          | 18.80%   | 162.21 | 19.25%   | 165.36 | 21.51%   |
| Corporate and others   | 347.74                          | 38.24%   | 278.48 | 33.04%   | 184.50 | 24.00%   |
| Total - Domestic       | 889.76                          | 97.85%   | 827.78 | 98.22%   | 755.07 | 98.21%   |
| Total – Overseas       | 19.52                           | 2.15%    | 14.98  | 1.78%    | 13.73  | 1.79%    |
| Global Gross Advances  | 909.28                          | 100.00%  | 842.76 | 100.00%  | 768.80 | 100.00%  |

### Restructuring of Debts

The Bank's NPAs are restructured on a case-by-case basis after it is determined that restructuring is the best means of maximizing realization of the loan. These loans continue to be on a non-accrual basis and are reclassified as performing loans only after sustained performance under the loan's renegotiated terms for a period of at least one year.

The tables below set forth details of the Bank's standard restructured assets by segment as of the dates indicated:

| Segment                             | As of March 31, |               |               |
|-------------------------------------|-----------------|---------------|---------------|
|                                     | 2023            | 2024          | 2025          |
|                                     | (₹ billion)     |               |               |
| Retail                              | 153.66          | 128.93        | 109.17        |
| Agriculture and allied              | 9.42            | 7.64          | 5.70          |
| MSME                                | 74.07           | 55.89         | 35.89         |
| Corporate and others                | 110.29          | 145.95        | 90.69         |
| <b>Total</b>                        | <b>347.44</b>   | <b>338.41</b> | <b>241.45</b> |
| <b>Percentage of Gross Advances</b> | <b>1.06%</b>    | <b>0.90%</b>  | <b>0.57%</b>  |

For restructured/rescheduled advances, provisions are made in accordance with guidelines issued by RBI from time to time. Provision for diminution in fair value of restructured advances is measured at net present value terms as per RBI guidelines for accounts where total dues to the bank are ₹ 10 million and above. For other accounts, the provision for diminution in fair value is computed notionally at 5% of total exposure to the bank as per RBI guidelines.

### Management of Stressed Assets

An integrated approach to review and management of stressed assets including rehabilitation and restructuring has been put in place. The primary intent in the approach is to ensure that an SMA does not slip into an NPA. Identification, determination of

the cause of the problem and initiation of remedial measures on a proactive basis with a thrust on restructuring of accounts that are intrinsically viable, are the hallmarks of this approach.

A review of stressed assets is provided to the appropriate reviewing authority at specified intervals, who would then give necessary directions on the recommended action plan. Based on a detailed viability study, if the unit is found viable, it is put on a rehabilitation package.

### NPA Management

The Bank is committed to efficiently managing and reducing its NPAs and has implemented the following measures to manage and reduce its NPA ratio:

- Initiating recovery action on slippage of accounts, including taking non-legal recovery actions or initiating legal action.
- Conducting recovery meetings at regional and Circle levels to arrive at settlements which are both cost effective and mutually beneficial. Recovery meetings involve inviting defaulting borrowers to the Bank in order to negotiate and reach mutually agreeable settlement proposals.
- Compromise settlements through Lok Adalats, (“people’s courts”), established by the Government to facilitate the efficient settlement of disputes by way of mutual agreement. While only claims not exceeding ₹ 100 million can be brought to a permanent Lok Adalat and any amount to Lokadalat of DRT given that the Lok Adalats do not charge any fees and their decisions are binding on the parties, it is often quicker to resolve disputes through a Lok Adalat than through regular courts. In light of this, the Bank strives to recover NPAs through the Lok Adalats as much as practicable.
- Reporting of wilful defaulters with overdue amounts equal to ₹ 2.5 million and above to the RBI. The RBI then consolidates the data of such wilful defaulters and disseminates this information amongst banks for their use. While the Bank does not rehabilitate or restructure NPAs of a wilful defaulter, it enters into an acceptable mutual settlement with such a borrower.
- Close monitoring of “compromise settled accounts” for recovery in accordance with the terms of settlement. By maintaining open dialogue with borrowers of the compromise settled accounts, the Bank seeks to recover its NPAs within specified periods and with minimum costs.
- Aggressively pursuing and achieving substantial progress in respect of measures allowed to be implemented by the Bank under the SARFAESI Act (as further explained below).
- Monitoring the recovery of overdue amounts under any account by law officers subject to a court ruling. The role of such law officers is to liaise with the advocate, branch and debtor and the Debt Recovery Tribunal (“**DRT**”) during the relevant debt recovery action, and to take timely action.
- Strict adherence to rehabilitation packages under the CDR (for both normal and SME accounts) and monitoring the accounts closely for early recovery.

See “Risk Factors — Risks Relating to our Business — Our business and financial condition may be adversely affected in case of an increase in the level of non-performing assets in our portfolio or RBI mandated provisioning requirements.” on page 37.

The Bank has been improving its asset quality by resolving stressed accounts through the National Company Law Tribunal (“**NCLT**”). By focusing on the recovery of NPAs through the legal framework of the NCLT, the Bank has been able to expedite the resolution of large corporate defaults and improve its financial health, successfully recover dues from several distressed companies, thereby reducing its NPA ratio. The following table sets forth information with respect to the Bank’s NCLT admitted accounts as of March 31, 2025:

| Particulars            | As of March 31, 2025 |                        |                                     |                                    |
|------------------------|----------------------|------------------------|-------------------------------------|------------------------------------|
|                        | Accounts             | Balance<br>(₹ billion) | Provision<br>(₹ billion)            | Provisioning coverage<br>ratio (%) |
| RBI List 1             | 11                   | 172.88                 | 172.88 (AUCA)                       | 100.00%                            |
| RBI List 2             | 18                   | 141.60                 | 10.39 (NPA) + 131.21 (AUCA)         | 100.00%                            |
| Filed by the Bank      | 265                  | 296.19                 | 57.12 (NPA) + 237.71 (AUCA)         | 99.54%                             |
| Filed by other lenders | 711                  | 633.16                 | 195.77 (NPA) + 415.55 (AUCA)        | 96.55%                             |
| <b>Total</b>           | <b>1,005</b>         | <b>1,243.83</b>        | <b>263.28 (NPA) + 957.36 (AUCA)</b> | <b>98.14%</b>                      |

The Bank has also been resolving accounts through the National Asset Reconstruction Company Limited (“**NARCL**”). The following table sets forth information with respect to the position of accounts with our Bank as of March 31, 2025:

| Position of accounts with the Bank       | As of March 31, 2025 |                                    |
|------------------------------------------|----------------------|------------------------------------|
|                                          | Number of accounts   | Balance outstanding<br>(₹ billion) |
| Accounts already resolved                | 21                   | 13,689                             |
| Bids received from NARCL and in progress | 2                    | 2,806                              |
| Under process with NARCL – due diligence | 2                    | 1,160                              |
| <b>Total</b>                             | <b>25</b>            | <b>17,655</b>                      |

### Interest Coverage Ratio

The following table sets forth information with respect to the Bank's interest coverage ratio for the periods indicated. This ratio, however, is typically used to measure the debt-servicing ability of a corporate and is not relevant to a banking company.

| Particulars                              | As at March 31,                 |          |          |
|------------------------------------------|---------------------------------|----------|----------|
|                                          | 2023                            | 2024     | 2025     |
|                                          | (₹ billion, except percentages) |          |          |
| (i) Net profit                           | 502.32                          | 610.77   | 709.01   |
| (ii) Depreciation on the Bank's property | 32.97                           | 33.52    | 35.29    |
| (iii) Interest expended                  | 1,872.63                        | 2,552.55 | 2,955.24 |
| (iv) Total (i) + (ii) + (iii)            | 2,407.92                        | 3,196.83 | 3,699.54 |
| Interest coverage ratio (iv) / (iii)     | 128.59%                         | 125.24%  | 125.19%  |

### Capital Adequacy

The following table sets forth, for the periods indicated, the Bank's capital adequacy ratios computed as per applicable RBI guidelines.

| Particulars                   | As at March 31,                 |           |           |
|-------------------------------|---------------------------------|-----------|-----------|
|                               | 2023                            | 2024      | 2025      |
|                               | (₹ billion, except percentages) |           |           |
| Common Equity Tier -1 (CET-1) | 2,858.35                        | 3,337.06  | 3,943.79  |
| Additional tier I capital     | 496.93                          | 504.71    | 475.91    |
| Tier I capital                | 3,355.28                        | 3,841.77  | 4,419.70  |
| Tier II capital               | 730.51                          | 758.46    | 780.92    |
| Total capital                 | 4,085.79                        | 4,600.23  | 5,200.62  |
| Risk weighted assets          | 27,830.59                       | 32,223.58 | 36,492.87 |
| CET I ratio (%)               | 10.27%                          | 10.36%    | 10.81%    |
| Tier I capital ratio          | 12.06%                          | 11.93%    | 12.11%    |
| Tier II capital ratio         | 2.62%                           | 2.35%     | 2.14%     |
| Total capital adequacy ratio  | 14.68%                          | 14.28%    | 14.25%    |

Notes: Capital Adequacy ratios have been calculated in accordance with RBI Guidelines (Basel-III Capital Regulations, generally referred to as Basel-III). See the section "Regulations and Policies" on page 198.

The following table sets forth, for the periods indicated, our risk weighted assets ("RWA") pertaining to credit risk, market risk and operational risk computed as per applicable the RBI guidelines:

| Particulars                | As at March 31, |           |           |
|----------------------------|-----------------|-----------|-----------|
|                            | 2023            | 2024      | 2025      |
|                            | (₹ billion)     |           |           |
| Credit risk RWA            | 22,451.52       | 26,618.34 | 30,158.75 |
| Market risk RWA            | 2,749.28        | 2,681.74  | 3,018.47  |
| Operational risk RWA       | 2,629.79        | 2,923.51  | 3,315.65  |
| Total risk weighted assets | 27,830.59       | 32,223.58 | 36,492.87 |

### Productivity Ratios

|                                    | For the Year ended March 31, |      |      |
|------------------------------------|------------------------------|------|------|
|                                    | 2023                         | 2024 | 2025 |
|                                    | (₹ billion)                  |      |      |
| Business <sup>#</sup> per employee | 0.29                         | 0.34 | 0.37 |
| Business <sup>#</sup> per branch   | 3.14                         | 3.52 | 3.86 |

<sup>#</sup> Business comprises an average of 26 fortnights business (i.e., advances and deposits excluding inter-bank deposits)

## INDUSTRY OVERVIEW

*The information in this section includes extracts from publicly available documents from various sources and has not been prepared or independently verified by our Bank, the BRLMs or any of their affiliates or advisers. Data in this section may have been re-classified by us for the purposes of presentation. The accuracy and completeness of the industry sources and publications referred to by us, and the underlying assumptions on which such sources and publications are based, are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Further, statements in this section that are not statements of historical fact constitute “forward-looking statements”. Such forward-looking statements are subject to various risks, assumptions and uncertainties and certain factors could cause actual results to materially differ. Accordingly, prospective investors should not base their investment decision, or otherwise place undue reliance, on this information. If one source is used for an entire paragraph, the source for the information in that paragraph is given at the end of that paragraph.*

### **Global Macroeconomic Outlook**

After being buffeted by a series of adverse shocks over 2020-24, the global economy is facing another significant headwind this year, with increased trade barriers and heightened policy uncertainty leading to a notable deterioration of the outlook relative to January 2025. Subdued global growth prospects are unlikely to improve materially without policy actions to address increasing trade restrictions, geopolitical tensions, heightened uncertainty, and limited fiscal space. Against this backdrop, global growth is set to slow this year, to 2.3% — weaker than previously projected amid the impact of higher trade barriers and weakened confidence. Thereafter, growth is forecast to firm to about 2.5% over 2026-27, as trade flows continue adjusting to higher tariffs such that global trade edges up, while policy uncertainty moderates from record-high levels. (Source: World Bank Global Economic Prospects, June 2025)

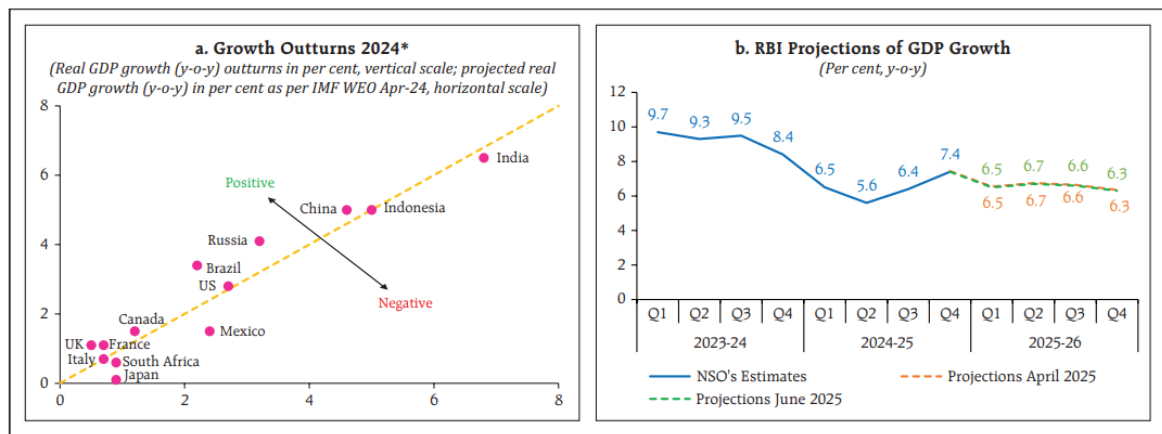
For advanced economies, growth under the reference forecast is projected to drop from an estimated 1.8% in 2024 to 1.4% in 2025 and 1.5% in 2026. For emerging market and developing economies, growth under the reference forecast is projected to drop to 3.7% in 2025 and 3.9% in 2026, following an estimated 4.3% in 2024. (Source: IMF World Economic Outlook Update, April 2025)

Inflation expectations, particularly at the shorter horizon, have picked up in 2025, mainly in some major economies. This is likely explained by the expected impact of tariff increases on consumer prices, even as trade tensions weigh on economic activity and commodity prices. On a GDP weighted basis, global inflation is projected to average 2.9% in both 2025 and 2026, before easing to 2.5% in 2027 — about in line with the average inflation target. However, there is significant heterogeneity across countries, with inflation projections revised slightly lower in Emerging Market and Developing Economy (EMDEs) in 2025 due to the impact of weaker demand for traded goods, while being revised significantly higher in advanced economies, primarily the United States. (Source: World Bank Global Economic Prospects, June 2025)

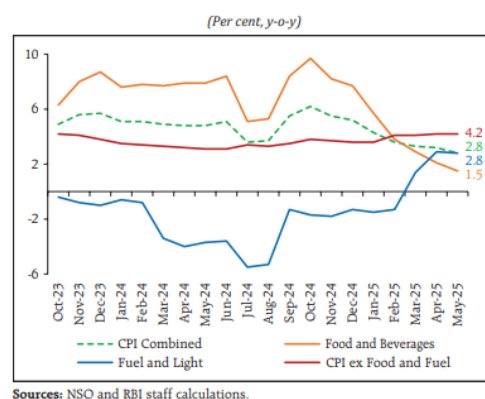
Commodity prices have fallen since February, largely owing to weaker growth prospects amid increased trade barriers and policy uncertainty. Largely reflecting these movements, annual average commodity prices are expected to decline by 10% in 2025. In 2026, commodity prices are projected to soften further, by 6%, as production of some energy and metals commodities expands and supply constraints on several agricultural commodities ease. Thereafter, commodity prices are projected to edge up as global growth continues to recover, supporting commodity consumption. Risks to the commodity price projections are tilted to the downside, as a renewed escalation of trade tensions between major economies could further weaken global trade and investment, undermining commodity demand. (Source: IMF World Economic Outlook Update, April 2025)

### **Indian Economy**

The Indian economy, supported by strong macroeconomic fundamentals, remained the fastest growing major economy in the world during 2024-25. Moreover, as India's growth is largely dependent on domestic demand, the impact of external shocks remained limited. In terms of growth outturns (actual economic growth compared to what was originally forecast) for 2024, India's actual growth rate did not deviate significantly from projections even amidst deteriorating global outlook. The RBI has projected the real GDP to grow at 6.5% in 2025-2026, same as in 2024-2025, supported by buoyant rural demand, revival in urban demand, an uptick in investment activity on the back of above-average capacity utilisation, government's continued thrust on capex and congenial financial conditions. The continued momentum in various high frequency indicators of services sector, robust agricultural production and above normal southwest monsoon forecasts, and strong goods and services tax (“GST”) collections underscore the sustained momentum and resilience of the economy. (Source: RBI – Financial Stability Report June 2025)



Domestic inflation has been steadily declining with the headline consumer price index (“CPI”) inflation recording a six-year low of 2.8% in May 2025. The outlook for food inflation remains favourable on account of softening prices and robust crop production. Moreover, the risk of imported inflation largely remains low with the anticipated slowdown in global growth likely to soften commodity and crude oil prices, although the recent escalation of geopolitical tensions in the Middle East has led to heightened uncertainty. The near-term and medium-term outlook gives greater confidence of a durable alignment of headline inflation with the target of 4%, and it is likely to undershoot the target at the margin as per the projections of the RBI. (Source: RBI – Financial Stability Report June 2025)



India’s fiscal position and credibility has enhanced significantly in recent years on account of ongoing fiscal consolidation, improvement in the quality of expenditure and earmarking of debt-to-GDP as the nominal anchor for the central government’s fiscal policy. In addition, the government debt is predominantly rupee-denominated. The resilience of the external sector has been a key contributing factor to India’s macroeconomic and financial stability. Current account deficit (“CAD”) at 0.6% of GDP during 2024-2025 remains eminently manageable, supported by sustained buoyancy in services exports and remittances. Moreover, current account balance turned into a surplus of 1.3% of GDP in Q4:2024-2025. (Source: RBI – Financial Stability Report June 2025)

Notwithstanding the uncertainty surrounding the trade outlook, India’s external vulnerability indicators remain robust and continue to show improvement. Foreign exchange reserves at US\$ 697.9 billion, as on June 20, 2025, are sufficient to cover more than 11 months of merchandise imports on balance of payment basis; external debt stood at a moderate 19.1% of GDP at end March 2025; the share of short-term debt on residual maturity basis stood at 45.4% of foreign exchange reserves at end-March 2025; and net international investment position improved. (Source: RBI – Financial Stability Report June 2025)

Domestic financial conditions tightened during January-March 2025, driven by widening of money and corporate bond market spreads. Since April 2025, financial conditions have eased supported by the Reserve Bank’s liquidity infusion measures and policy rate cuts. The Reserve Bank has injected durable liquidity amounting to about ₹9.5 lakh crore through suite of liquidity measures since January 2025, which led to system liquidity transitioning from deficit to surplus at end-March 2025. Additionally, the decision to cut cash reserve ratio (“CRR”) by 100 bps in a staggered phase will release ₹2.5 lakh crore of primary liquidity starting September till December 2025. Cumulatively, these measures have not only turned durable liquidity into surplus but will also contribute to faster transmission of monetary policy to the financial and credit markets. (Source: RBI – Financial Stability Report June 2025)



## **Indian Banking Authority**

The RBI was established on April 1, 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934. The central office of the RBI was initially established in Kolkata but was permanently moved to Mumbai in 1937. The central office is where the Governor sits and where policies are formulated. Though originally privately owned, since nationalization in 1949, the RBI has been fully owned by the GoI. The RBI performs a supervisory function under the guidance of the Board for Financial Supervision. The Board was constituted in November 1994 as a committee of the Central Board of Directors of the RBI. (Source: *RBI Manual on Financial and Banking Statistics*, <https://www.rbi.org.in/Scripts/AboutusDisplay.aspx>)

The banking system in India comprises commercial and cooperative banks, of which the former accounts for more than 90% of banking system's assets. Besides a few foreign and Indian private banks, the commercial banks comprise nationalized banks (majority equity holding is with the Government). These banks, along with regional rural banks, constitute the public sector (state owned) banking system in India. A diagrammatic structure of Indian banking, including cooperatives. Banking statistics in India is predominantly compiled and disseminated by the RBI and NABARD. (Source: *"Department of Financial Services"* [https://www.mospi.gov.in/sites/default/files/publication\\_reports/financial\\_and\\_bank\\_0.pdf](https://www.mospi.gov.in/sites/default/files/publication_reports/financial_and_bank_0.pdf))

The banking system in India, which evolved over several decades, is well established and has been serving the credit and banking needs of the economy. The banking ecosystem is providing impetus to economic growth and development of the country and catering to the specific and varied financial requirements of different customers and borrowers. (Source: <https://financialservices.gov.in/beta/en/banking-overview>)

## **Impact of Liberalization on the Indian Financial Sector**

Until 1991, the financial sector in India was heavily controlled and commercial banks and long-term lending institutions had mutually exclusive roles and objectives, operating in a largely stable environment with little to no competition. Long-term lending institutions were focused on achieving the GoI's various socioeconomic objectives, including balanced industrial growth and employment creation, especially in areas requiring development. Long-term lending institutions were extended access to long-term funds at subsidized rates through loans and equity from the GoI, funds guaranteed by the GoI originating from commercial banks in India and foreign currency resources from multilateral and bilateral agencies. The focus of commercial banks was primarily to mobilise household savings through demand and time deposits and to use these deposits to meet the short-term financial needs of borrowers in industry, trade and agriculture. In addition, commercial banks provided a range of banking services to individuals and business entities. (Source: *RBI Circular on Approach to Universal Banking dated April 28, 2001*)

However, since 1991, there have been comprehensive changes in the Indian financial system. Various financial sector reforms have transformed the operating environment of banks and long-term lending institutions. In particular, the deregulation of interest rates, the emergence of a liberalised domestic capital market and the entry of new private sector banks, along with the broadening of long-term lending institutions' product portfolios, have progressively intensified the competition between banks and long-term lending institutions. The RBI has permitted the transformation of long-term lending institutions into banks subject to compliance with the prudential standards applicable to banks. (Source: *RBI Circular on Approach to Universal Banking dated April 28, 2001*) Further, development of GIFT city as the international financial hub in India containing India's first International Financial Services Centre ("**IFSC**") and several international banks and exchanges has been a massive step towards liberalization. GIFT city is envisaged to be the hub of financial and technological services for the world. (Source: [investindia.gov.in](http://investindia.gov.in)) The government and the RBI have also been striving to promote the use of INR for cross-border trade and other current account transactions. In 2023, the RBI put in place a mechanism for trade settlement in INR with 18 countries wherein banks from these countries have been permitted to open Special Rupee Vostro accounts for settlement in INR. RBI has also enabled external commercial borrowings in Indian Rupees (especially through Masala Bonds). (Source: [investindia.gov.in](http://investindia.gov.in))

Banks that are included in the Second Schedule of the Reserve Bank of India Act, 1934 are considered to be scheduled commercial banks. Other than public sector banks and regional rural banks, all other scheduled commercial banks are granted banking licenses by RBI under the Banking Regulation Act, 1949 ("**Banking Regulation Act**"). In addition, RBI also gives licenses to Co-operative Banks for providing banking services under Banking Regulation Act. (Source: *"Department of Financial Services"*, <https://financialservices.gov.in/beta/en/banking-overview>)

## **Scheduled Commercial Banks**

**Scheduled Commercial Bank ("SCBs")** is commercial bank which has been included in the Second Schedule of the Reserve Bank of India Act, 1934 ("**RBI Act**"). Conditions for inclusion in the Second Schedule of the RBI Act are as stated in Section 42(6)(a) of the RBI Act. It includes public sector, private sector, foreign banks, Regional Rural Banks ("**RRB**"), small finance banks and payment banks. (Source: <https://financialservices.gov.in/beta/en/banking-overview>)

**Public Sector Banks (“PSBs”)** are SCBs with significant government shareholding. PSBs constitute the largest category of banks in the Indian banking system. These include the 12 nationalised banks, as of August 2024. (Source: RBI, List of Scheduled Commercial Banks (SCBs))

**Foreign Banks** is a bank that has its headquarters outside India but runs its offices as a private entity at any other locations in India. Such banks are under an obligation to operate under the regulations provided by the Reserve Bank of India as well as the rule prescribed by the parent organization located outside India. (Source: Department of Financial Services, <https://financialservices.gov.in/beta/en/banking-overview>)

**Private Sector Banks** are banking companies licensed to operate under Banking Regulation Act other than Urban Co-operative Banks, Foreign Banks and banks licensed under specific Statutes. (Source: <https://financialservices.gov.in/beta/en/banking-overview>, RBI)

**Small Finance Banks (SFBs)** licensed under Banking Regulation Act and created with an objective of furthering financial inclusion by primarily undertaking basic banking activities to un-served and underserved sections including small business units, small and marginal farmers, micro and small enterprises and other underserved sections. Payment Banks are public limited companies licensed under Banking Regulation Act, with specific licensing conditions restricting its activities mainly to acceptance of demand deposits and provision of payments and remittance services. (Source: “Department of Financial Services”, <https://financialservices.gov.in/beta/en/banking-overview>). The objective of small finance banks is to further financial inclusion by providing savings vehicles and supplying credit to small business units, small and marginal farmers, micro and small industries and other unorganized sector entities through high technology-low-cost operations.

**Payment Banks** are public limited companies licensed under Banking Regulation Act, with specific licensing conditions restricting its activities mainly to acceptance of demand deposits and provision of payments and remittance services. (Source: “Department of Financial Services”, <https://financialservices.gov.in/beta/en/banking-overview>) The RBI has liberalised the licensing regime for banks in India and intends to issue licences on an ongoing basis, subject to meeting the RBI’s criteria. The RBI is supportive of creating more specialised banks and granting differentiated banking licences, e.g., for payment banks and small finance banks. The RBI also plans to create wholesale and long-term finance banks in the near future. As of September 2024, there are six (6) payments banks in India. (Source: RBI, List of Payment Banks, accessed in September 2024)

### **Co-operative Banks**

Co-operative Banks means State Co-operative Banks, Central Co-operative Banks and Primary Co-operative Banks. Primary Co-operative Banks are also known as Urban Cooperative Banks and over the years, it has registered a significant growth in number, size and volume of business handled. State Cooperative Banks are the highest-level cooperative banks in each of the states. They raise funds and assist in their proper allocation among various sectors. Individual borrowers receive funds from state cooperative banks via central cooperative banks and primary credit societies. (Source: <https://financialservices.gov.in/beta/en/banking-overview>)

Co-operative Banks are registered under State Co-operative Societies Act of the State concerned or the Multi State Cooperative Societies Act, 2002 and its banking business is licensed and regulated by Reserve Bank of India. These banks are the financial entities that belong to its members, who are also the owners as well as the customers of their bank. Cooperative banks primarily support the agricultural activities, some small-scale industries and self-employed workers. (Source: <https://financialservices.gov.in/beta/en/banking-overview>)

In addition to Scheduled Commercial Banks and co-operative banks, All India Financial Institutions and Non-Banking Financial Companies also plays an important role in promoting inclusive growth in the country. (Source: <https://financialservices.gov.in/beta/en/banking-overview>)

### **All India Financial Institutions**

Financial institutions play an important role in the Indian financial system as they provide medium to long term finance to different sectors of the economy. These institutions have been set up to meet the growing demands of particular sectors, such as export, import, rural, housing and small industries. These institutions have been playing a crucial role in channelizing credit to these sectors and addressing the challenges / issues faced by them. (Source: “Department of Financial Services”, <https://financialservices.gov.in/beta/en/banking-overview>)

Export-Import Bank of India, Small Industries Development Bank of India, National Bank for Agriculture and Rural Development, National Housing Bank and National Bank for Financing Infrastructure and Development, are operating as All

India Financial Institutions in India. (Source: “Department of Financial Services”, <https://financialservices.gov.in/beta/en/banking-overview>)

### **Non-Banking Financial Companies (“NBFCs”)**

NBFCs are playing an important role in sustaining consumption demand as well as capital formation in small and medium industrial segment of the country. The reach and last mile advantages of NBFCs have empowered them with agility and innovation with cutting edge technology in providing formal financial services to under banked and unserved sections of the society. (Source: “Department of Financial Services”, <https://financialservices.gov.in/beta/en/banking-overview>)

Depending upon the line of activity, NBFCs are categorised into different types such as asset finance company, loan company, infrastructure finance company, securitisation/asset reconstruction companies, investment company, (systemically important) core investment company, infrastructure debt fund – NBFC, NBFC – micro finance institution, NBFC – factors, mortgage guarantee companies, NBFC – non-operative financial holding company. (Source: RBI, *Discussion Paper on Wholesale & Long-Term Finance Banks*, April 2017)

As per the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, updated as on May 5, 2025, regulatory structure for NBFCs shall comprise of four layers based on their size, activity and perceived riskiness. NBFCs in the lowest layer shall be known as NBFC – Base Layer (“NBFC-BL”). NBFCs in middle layer and upper layer shall be known as NBFC – Middle Layer (“NBFC-ML”) and NBFC – Upper Layer (“NBFC-UL”) respectively. The Top layer is ideally expected to be empty and will be known as NBFC – Top Layer (“NBFC-TL”).

### **Housing Finance Companies**

Housing finance companies are specialised institutions which extend housing credit, along with SCBs. Effective August 9, 2019, Housing finance companies (“HFCs”) are being regulated as a category of NBFCs, after the transfer of regulation of HFCs to the Reserve Bank by amendment of the National Housing Bank Act, 1987. As of June 2025, there were 82 HFCs, of which only 11 were deposit taking entities. (Source: NHB, *List of HFCs in India*, available, accessed in September 2024, <https://www.nhb.org.in/list-of-housing-finance-companies-granted-certificate/?prophazecheck=2>, <https://www.nhb.org.in/a-list-of-housing-finance-companies-granted/>)

### **Microfinance Institutions**

Microfinance institutions form a distinct sub-group of non-banking financial companies. They focus on providing access to small-scale financial services, especially to the poor, and play an important role in delivering credit to people at the bottom of the economic pyramid. Microfinance institutions differ from other financial service providers as they do not depend on grants or subsidies to provide unsecured loans to borrowers with low incomes and no access to the mainstream banking system. They encompass a host of financial institutions engaged in advancing loans to low-income groups. The essential features of microfinance loans are that they are of small amounts, have short tenures, are extended without collateral, and require a frequency of loan repayments that is greater than that for traditional commercial loans. These loans are generally taken for income-generating activities but are also provided for consumption, housing and other purposes. (Source: RBI Bulletin, *Microfinance: Reaching out to the Bottom of the Pyramid* dated September 11, 2020)

### **Regional Rural Banks**

Regional rural banks were formed under the Regional Rural Bank Act, 1976 with a view towards developing the rural economy by providing, for the purpose of developing agriculture, trade, commerce, industry and other productive activities in the rural areas, credit and other facilities, particularly to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs, and for matters connected therewith and incidental thereto. (Source: *Banking, Regional Rural Banks*, Department of Financial Services) The area of operation of RRBs is limited to the area notified by the Central Government. RRBs are owned jointly by the GoI, the State Government and Sponsor Banks. (Source: “Department of Financial Services”, <https://financialservices.gov.in/beta/en/banking-overview>) The GoI took a landmark decision to sanction ₹108.90 billion of recapitalisation assistance to RRBs during Fiscal 2022 and Fiscal 2023. As on March 31, 2024, these 22 RRBs have received the entire amount of recapitalisation assistance from sponsor banks and state governments. (Source: *NABARD Annual Report 20203-2024*)

As of March 31, 2024, there were 43 RRBs sponsored by 12 SCBs with 21,069 branches (21,995 branches as on 31 March 2023) with operations extending to 313.30 million deposit accounts and 30.30 million loan accounts. (Source: <https://financialservices.gov.in/beta/sites/default/files/2025-05/Review-Performance-of-RRBs-during-FY-2023-24.pdf>)

## **Long-Term Lending Institutions**

Long-term lending institutions were established to provide medium-term and long-term financial assistance to various industries for setting up new projects and expanding and modernising existing facilities. These institutions provided fund-based and non-fund-based assistance to industries in the form of loans, underwriting and direct subscription to shares, debentures and guarantees.

Long-term lending institutions were expected to play a critical role in Indian industrial growth and, accordingly, had access to concessional government funding. However, in recent years, the operating environment of long-term lending institutions has changed substantially. Although the initial role of these institutions was largely limited to providing a channel for government funding to industries, the reform process required such institutions to expand the scope of their business activities, including into fee-based activities like investment banking and advisory services and into short-term lending activities including corporate finance and working capital loans.

## **Recent Developments in the Banking Sector**

The RBI from time to time also comes out with regulations and guidelines for the above-mentioned institutions to ensure overall effectiveness and supervision of the banking system:

- The Monetary Policy Committee (“MPC”) met on the June 4- 6, 2025 to deliberate and decide on the policy repo rate. After a detailed assessment of the evolving macroeconomic and financial developments and the outlook, the MPC decided to reduce the policy repo rate under the liquidity adjustment facility (“LAF”) by 50 basis points to 5.50% with immediate effect; consequently, the standing deposit facility (“SDF”) rate shall stand adjusted to 5.25% and the marginal standing facility (“MSF”) rate and the Bank Rate to 5.75%. To further provide durable liquidity, it has been decided to reduce the CRR by 100 basis points (bps) to 3.0% of net demand and time liabilities (“NDTL”) in a staggered manner during the course of the year. This reduction will be carried out in four equal tranches of 25 bps each with effect from the fortnights beginning September 6, October 4, November 1 and November 29, 2025. The cut in CRR would release primary liquidity of about ₹2.5 lakh crore to the banking system by December 2025. Besides providing durable liquidity, it will reduce the cost of funding of the banks, thereby helping in monetary policy transmission to the credit market. (Source: RBI Governor’s Statement, 6 June 2025)
- The RBI in November 2023 had come out with a notification wherein it increased the risk weights on consumer loans and NBFCs by 25% points (from 100% to 125%). For AAA-rated loans to NBFCs, the risk weight has been increased to 45% from the existing 20% (25% point increase). These guidelines are applicable to Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks) and Non-Banking Financial Companies (including HFCs). (Source: RBI Circular Regulatory measures towards consumer credit and bank credit to NBFCs) On a review, vide a circular dated February 25, 2025, it was decided to restore the risk weight on SCBs funding to NBFCs to the risk weight associated with the given external rating of NBFCs (where the extant risk weight as per external rating of NBFCs is below 100%). And the microfinance loans in the nature of consumer credit shall be risk weighted at 100%. (Source: RBI Annual Report 2024-25)
- The Reserve Bank recently came out with draft guidelines on the financing of Projects under Implementation. The existing prescribed provisions for standard Project assets is 0.40% which the RBI has proposed to increase to 5%. This is expected to substantially increase the provisioning requirements for banks in India. These guidelines are applicable to all Commercial Banks (including Small Finance Banks but excluding Payments Banks), Local Area Banks and Regional Rural Banks, all Primary (Urban) Co-operative Banks, all All-India Financial Institutions, and all Non-Banking Financial Companies. (Source: RBI Circular Draft Prudential Framework for Income Recognition, Asset Classification and Provisioning pertaining to Advances – Projects Under Implementation, Directions, 2024)

## **Other Financial Institutions**

### **Specialised Financial Institutions**

In addition to the long-term lending institutions, there are various specialised financial institutions which cater to the specific needs of different sectors. These include the NABARD, the EXIM, the SIDBI, Risk Capital and Technology Finance Corporation Limited, Tourism Finance Corporation of India Limited, the NHB, Power Finance Corporation Limited, Infrastructure Development Finance Corporation Limited, the Industrial Investment Bank of India, the North Eastern Development Finance Corporation and the India Infrastructure Finance Company. (Source: Report on Trend and Progress of Banking in India, 2003-2004). To provide financial support to the diversified growth of Industries across the sectors Industrial Finance Corporation of India as a statutory organisation was set up in 1948. To support the long-term infrastructure financing in India, the Government set-up the NaBFID in 2021. (Source: RBI Press Release dated March 9, 2022)

## **State Financial Institutions**

SFCs operate at the state level and form an integral part of the institutional financing system. SFCs were set up to finance and promote small and medium-sized enterprises. State financial institutions are expected to achieve balanced regional socio-economic growth by generating employment opportunities and widening the ownership base of industries. At the state level, there are also state industrial development corporations, which primarily finance medium-sized and large enterprises. (Source: *Report on Trend and Progress of Banking in India, 2003- 2004*)

## **Insurance Companies**

The General Insurance Corporation of India, a re-insurance company, the Life Insurance Corporation of India and other public sector general insurance companies provide long-term financial assistance to the industrial sector.

The insurance sector in India is regulated by the IRDAI. In December 1999, the Indian Parliament passed the Insurance Regulatory and Development Authority Act, 1999, which amended the Insurance Act, 1938 and opened up the Indian insurance sector for foreign and private investors. The Insurance Act, 1938 was further amended by the Insurance Law (Amendment) Act, 2015 which raised permitted foreign equity participation in new insurance companies from 26.00% to 49.00%. (Source: *DPIIT, Consolidated FDI Policy (Effective from October 15, 2020)*)

Foreign investment in insurance companies in India is subject to such conditions as may be prescribed by the IRDAI and/ or the Central Government. The Indian Insurance Companies (Foreign Investment) (Amendment) Rules, 2021 (“**2021 FI Rules**”) amended the Indian Insurance Companies (Foreign Investment) Rules, 2015 and provided that the foreign investment limits for insurance companies would be increased from 49% to 74% of their paid-up equity share capital. Recently, it was announced in the Union Budget for Fiscal 2025-2026, that the foreign investment limits in the insurance sector will be raised from 74% to 100%. The enhanced foreign investment limit of 100% is yet to be implemented.

IRDAI has operationalized a series of regulatory changes in 2024 regarding health coverage. These changes include the removal of the upper age cap and the introduction of new features such as a customer information sheet to enhance transparency and the option to distribute claim amounts across multiple policies held with different companies. Also, Health insurance companies have to do final authorisation for cashless claims within three hours of receiving a patient discharge request from the hospital and policy holders cannot be kept waiting to be discharged from hospital under any circumstances. (Source: *Press release IRDAI*). The amendment to the Expenses of Management (“**EOM**”) regulations grants significant greater flexibility and autonomy to industry players. This provision supports the industry in multiple ways as now they can determine how to manage their fixed costs and commissions according to the model that best suits their needs. As stakeholders gain better control over managing their expenses and reducing distribution costs, this will lead to improved pricing structures, ultimately benefiting the end consumer. This approach will harmonize the industry’s diverse efforts towards the overarching goal of closing India’s protection gap. (Source: *IRDAI Amendment dated March 27, 2023*) The IRDAI (Expenses of Management, Including Commission of Insurers) Regulations, 2024 were amended to give insurers greater flexibility in managing their expenses, including commissions. This aims to help them optimize resource use, enhance benefits for policyholders, and improve insurance penetration, all within the limits set by the IRDAI. These amendments seek to balance operational flexibility and regulatory oversight by imposing EoM limits at the company level, rather than the previous segmental level, for general and health insurance sectors, while simplifying the monitoring process for life insurance. This initiative is part of a broader regulatory reform aimed at shifting towards principle based regulations and rationalizing the existing regulatory framework. (Source: *IRDAI Annual Report 2023-24*)

## **Mutual Funds**

The mutual funds industry was opened up to the private sector in 1993. The industry is regulated by the SEBI (Mutual Funds) Regulations, 1996.

In June 2009, the SEBI removed the entry load, up-front charges deducted by mutual funds for all mutual fund schemes and required that the up-front commission to distributors should be paid by the investor to the distributor directly. In November 2009, to enhance the reach and marketability of mutual fund schemes, the SEBI permitted the use of stock exchange terminals to facilitate transactions in mutual fund schemes, as a result of which mutual fund units can now be traded on recognized stock exchanges. In February 2010, the SEBI introduced guidelines for the valuation of money market and debt securities with a view to ensure that the value of money market and debt securities in the portfolio of mutual fund schemes reflect the current market value. The valuation guidelines were effective from August 1, 2010.

The mutual fund industry crossed the ₹ 70 lakh crore AUM milestone for the first time ever in May 2025, with total assets rising to ₹ 72.20 lakh crore, a 3.04% increase from ₹ 69.99 lakh crore in April 2025 (Source: *AMFI Monthly Note, May 2025*)

## Key Banking Industry Trends in India

The soundness and resilience of SCBs are bolstered by robust capital buffers, multi-decadal low non-performing loans and strong earnings. The Indian financial sector remained strong and resilient amidst global headwinds. Banks and NBFCs reinforced their capital and liquidity buffers, while improving their asset quality. Bank credit growth decelerated and moved closer to deposit growth, narrowing the gap between both. The credit expansion by NBFCs was supported by improving credit quality and strong capital buffers. A favourable interest rate environment, conditioned by monetary policy easing, is expected to catalyse credit offtake, going forward. (Source: RBI – Financial Stability Report, June 2025)

Post-pandemic, bank loan growth was largely driven by lending to the retail and services sector, particularly through unsecured retail loans and lending to the NBFCs. Pursuant to the RBI's decision to increase risk weights on certain segments of consumer credit and bank lending to the NBFCs, loan growth in these two sectors has fallen sharply, contributing to a slowdown in total loan growth. Overall, a more cautious approach by lenders, improvement in lending standards, and the restoration of risk weights on bank lending to NBFCs are stability-enhancing and credit positive. Notwithstanding the solid performance of banks during the last three years, they could face some pressure in the near-term: (1) easing monetary policy cycle could impact the net interest margin ("NIM") as growing share of loan book is linked to the external benchmark-based lending rate ("EBLR"), which is reset more frequently with change in repo rate. On the other hand, term deposits, which are also growing, have fixed contractual rates that change less frequently. The recent 100 bps cut in CRR, however, will cushion this impact by releasing funds for banks and reducing their costs; (2) credit growth has slowed, and credit impulse has turned negative. Economic slowdown, if any, amidst heightened uncertainty could drag credit demand lower, which may impact asset quality and profitability; and (3) banks' liability profile is changing with the share of higher-cost term deposits and CDs growing compared to low-cost current account and savings account ("CASA") deposits. (Source: RBI – Financial Stability Report, June 2025)

SCBs' aggregate deposits grew at 10.7% (y-o-y) during 2024-2025, notwithstanding a deceleration in respect of private sector banks ("PVBs") and foreign banks ("FBs"). Growth in term deposits continued to outpace that in current and savings account deposits. As on June 13, 2025, SCBs' y-o-y deposits growth stood at 10.5%. (Source: RBI – Financial Stability Report, June 2025)

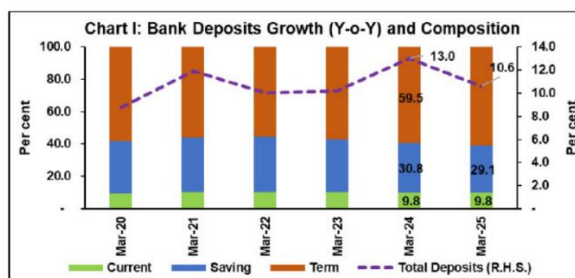
SCBs' credit growth decelerated in 2024-2025 across bank groups. Credit growth of public sector banks ("PSBs") outpaced that of PVBs during the year, after more than a decade. As on June 13, 2025, y-o-y credit growth of SCBs moderated to 9.6%. The shares of agricultural and industrial loans in aggregate credit have contracted, while those of services and personal loans have expanded over the last fiscal year. Growth (y-o-y) in agriculture, services and personal loans has moderated over the last few quarters, while a marginal uptick is observed in the growth of industrial loans in March 2025. Personal loans and services loans continued to remain the top two contributors to the overall credit growth of SCBs. Despite a broad deceleration in bank credit growth, the share of credit to the micro, small and medium enterprises ("MSME") sector in total non-food bank credit has been growing steadily and its growth has outpaced that in other sectors during 2024-25. Within the MSME sector, however, credit to the micro enterprises, which formed 49.0% of total credit to the MSME sector, witnessed slower incremental growth in 2024-25 compared to small and medium enterprises. (Source: RBI – Financial Stability Report, June 2025)

SCBs continued to record improvement in their asset quality, with the gross non-performing asset ("GNPA") ratio and net non-performing asset ("NNPA") ratio declining to multi-decadal lows of 2.3% and 0.5%, respectively. The half-yearly slippage ratio, measuring new accretions to NPAs as a share of standard advances at the beginning of the half-year, remained stable at 0.7%. The provisioning coverage ratio (PCR) of SCBs at 76.3% in March 2025 was marginally lower than that in September 2024. The write-offs to GNPA ratio for SCBs moved up marginally to 31.8% in 2024-25 from 29.5% in the previous year, led by PVBs and FBs, while write-offs by PSBs exhibited a marginal decline. Disaggregation of NPA movements revealed that write-offs were a major component of NPA reduction over the last 5 years. Even as unsecured retail lending has moderated – it forms 25.0% of retail loans and 8.3% of gross advances – its asset quality has relatively weakened compared to the overall retail portfolio - GNPA ratio at 1.8% vis-à-vis 1.2% in March 2025 - especially in respect of PVBs. On the other hand, the Special Mention Account ("SMA") ratio, an indicator of possible stress build-up in loan book, has risen, led by PSBs. (Source: RBI – Financial Stability Report, June 2025)

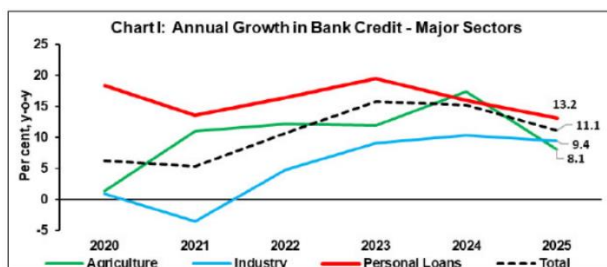
## Performance – Assets and Earnings

Bank deposits grew (y-o-y) by 10.6% during Fiscal 2025 as compared to 13.0%, in the previous year. Household sector accounted for the largest share of SCB's deposits at 60.2%; the share of female depositors was 20.7% in March 2025. Branches in metropolitan areas, which constituted the dominant share in deposits, recorded 11.7% annual growth in March 2025; whereas rural, semi-urban and urban centres registered 10.1%, 8.9%, and 9.3% annual growth, respectively. The higher returns on term deposits led to higher accretion in such deposits as compared to other type of deposits; the share of saving deposits declined to 29.1% in March 2025 as compared to 30.8% a year ago and 33.0% two years ago. Nearly 68.4% of term deposits were having the original maturity of one to three as on March 2025. The share of term deposits bearing interest rate of '7% and above' increased and stood at 72.7% in March 2025 as compared to 64.2% a year ago and 33.5% two years ago. The share of term deposits of size 'Rs. one crore and above' increased to 45.1% in March 2025 from 43.7% in March 2024. The share of senior

citizens' deposits was 20.2% of total deposits as on March 2025 (Source: RBI – BSR 2: Deposits with Scheduled Commercial Banks - March 2025 dated May 30, 2025).



Bank credit growth (y-o-y) decelerated to 11.1% in March 2025 from 15.3% (net of merger) in the previous financial year. The deceleration in credit growth (y-o-y) was observed across all bank groups during Fiscal 2025. Private sector banks witnessed the steepest decline to 9.5% in March 2025 after a sustained credit growth above 15% for the preceding three years. With higher credit growth in rural, semi-urban and urban areas compared to metropolitan area, the share of metropolitan branches in total credit declined to 58.7% in March 2025 from 63.5% five years ago. The growth in personal loans, though moderated sharply to 13.2%, continued to outpace headline credit growth, which has led to an increase in their share to 31.0% (24.1% five years ago). Share of housing loans bearing interest rate 9% and above came down to 36.8% in March 2025 from 54.5% a year ago which signifies decline in cost of housing loans. Consumer durables and other personal loans accounted for nearly one third of total personal loans; the share of these loans bearing interest rate 11% and above has declined to 47.4% in March 2025 from 50.3% in the previous year. Loans to industry accounted for nearly one fourth of total bank credit and increased at a (y-o-y) rate of 9.4% in March 2025, down from 10.4% a year earlier. The share of Individuals in total credit maintained its increasing momentum and stood at 47.8% in March 2025 as compared to 41.5% in March 2020. Within individuals, the share of female borrowers also gradually rose to 23.8% from 22.0% in the said period (Source: RBI – BSR -1: Outstanding Credit of Scheduled Commercial Banks – March 2025 dated May 30, 2025).

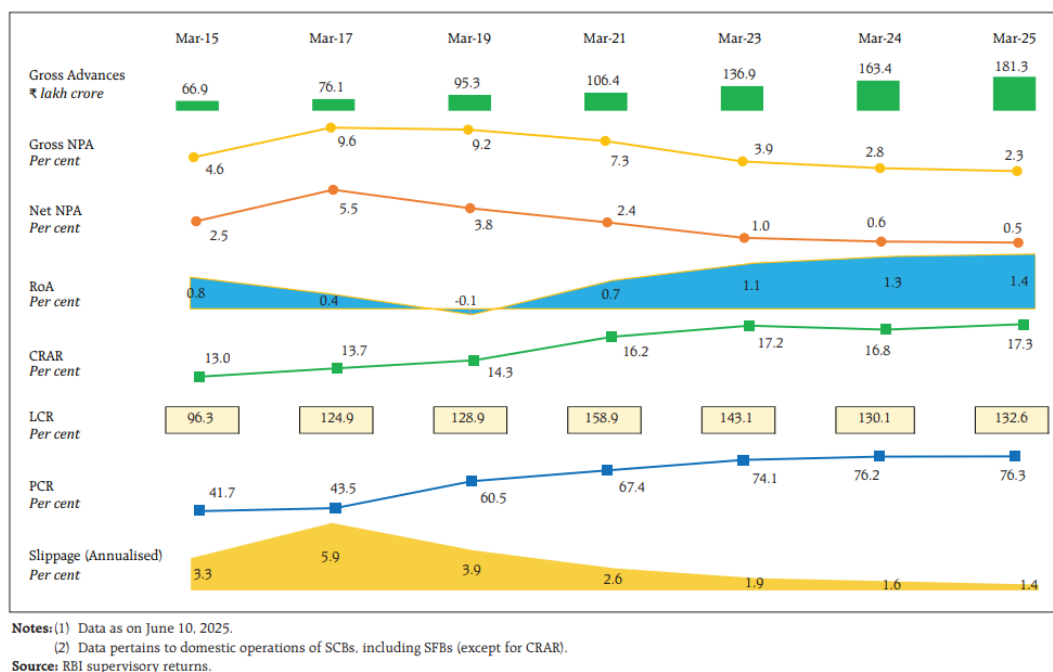


The profitability of SCBs remained strong in 2024-2025, with profit after tax (“PAT”) increasing by 16.9% (y-o-y). PAT of PSBs recorded a robust growth of 31.8%, compared to much lower growth (9.2%) for PVBs. PSBs’ higher profitability was primarily driven by a rise in their other operating income. On the other hand, higher growth in operating expenses was the key contributor to the relatively lower profitability of PVBs. NIM declined driven by cost of funds even as yield on assets has remained stable. Both return on equity (RoE) and return on assets (RoA) ratios have declined in March 2025. (Source: RBI – Financial Stability Report, June 2025)

### Asset Quality and Capital Adequacy

As of March 2025, the capital to risk weighted assets ratio (“CRAR”) of SCBs increased to a record high of 17.3%. All bank groups reported higher CRAR in March 2025, compared to their September 2024 positions. The increase in CRAR during the quarter ending March 2025 can be attributed to higher growth in total capital relative to the growth in RWA during this period. CET1 capital ratio also increased across bank groups, indicating accretion of high-quality capital by banks. The overall tier 1 leverage ratio remained stable at 7.9%. SCBs continued to record improvement in their asset quality, with the GNPA ratio and NNPA ratio declining to multi-decadal lows of 2.3% and 0.5%, respectively. The half-yearly slippage ratio, measuring new accretions to NPAs as a share of standard advances at the beginning of the half-year, remained stable at 0.7%. The provisioning coverage ratio (“PCR”) of SCBs at 76.3% in March 2025 was marginally lower than that in September 2024. The write-offs to GNPA ratio for SCBs moved up marginally to 31.8% in 2024-25 from 29.5% in the previous year, led by PVBs and FBs, while write-offs by PSBs exhibited a marginal decline. Disaggregation of NPA movements revealed that write-offs were a major component of NPA reduction over the last 5 years. (Source: RBI – Financial Stability Report, June 2025)





## Sectoral Asset Quality

SCBs' asset quality exhibited broad-based improvement across bank groups in all major sectors, in terms of both GNPA ratio and stressed advances ratio. Agriculture sector continued to record the highest GNPA ratio and was the major contributor to the overall stock of GNPA. In the personal loans segment, asset quality remained broadly stable across major subsegments. Within the industrial sector, asset quality exhibited sustained improvement across all sub-sectors. (Source: RBI – Financial Stability Report, June 2025)

Slippages in unsecured retail loans remain elevated for PVBs. Fresh slippage in unsecured retail loans continues to dominate the overall slippage in retail loan segment with PVBs' contribution significantly higher among bank groups. Alongside, write-offs continue to remain a key contributing factor to NPA reduction in the unsecured retail portfolio, especially among PVBs. (Source: RBI – Financial Stability Report, June 2025)

Even as loan growth to consumer segment slowed down, the quality of the portfolio has improved. Delinquency levels, except credit cards, have decreased, upgradations from SMA-2 accounts have risen, and slippages from SMA-2 accounts have fallen. The GNPA ratio of the SCBs' consumer segment loans stood at 1.4% in March 2025. Moreover, in a sign of improving underwriting standards, the share of borrowers rated prime and above increased for both PSBs and PVBs. (Source: RBI – Financial Stability Report, June 2025)

Asset quality has shown improvement with gross NPA ratio of MSME portfolio of SCBs falling from 4.5% in March 2024 to 3.6% as at end-March 2025. This is also reflected in the significant moderation in SMA-2 ratio, an indicator of incipient stress. In terms of amount outstanding, the share of sub-prime borrowers in the MSME portfolio of the SCBs has decreased from 33.5% in June 2022 to 23.3% in March 2025. PSBs, however, had a higher share of sub-prime borrowers in their MSME portfolio compared to PVBs and NBFCs. (Source: RBI – Financial Stability Report, June 2025)

The ratio of stressed assets in the microfinance sector increased in H2:2024-25, with 31-180 days past due rising from 4.3% in September 2024 to 6.2% in March 2025. The banking sector also saw an increase in stress in their microfinance loan book with 31-180 days past due rising from 4.7% in September 2024 to 6.5% in March 2025. However, borrower indebtedness, measured by the share of borrowers availing loans from three or more lenders, is showing a declining trend. (Source: RBI – Financial Stability Report, June 2025)

Overall, the resilience of the banking system has improved, as indicated by the banking stability indicator, which strengthened during H2:2024-2025. (Source: RBI – Financial Stability Report, June 2025)

## Credit Quality of Large Borrowers

The credit quality of larger borrowers has improved steadily over the last few years and their share in total GNPA of SCBs stood at 37.5% in March 2025, while their share in overall credit of SCBs stood at 43.9%. The large borrower cohort's GNPA ratio declined from 3.8% in September 2023 to 1.9% in March 2025. On a quarter-on-quarter (q-o-q) basis, while volume of



SMA-1 loans increased, that of SMA-0 and SMA-2 loans and NPAs declined during March 2025 quarter. Correspondingly, SMA-2 ratio of large borrowers, that rose significantly in September 2024, led by PSBs, recorded a sharp decline in March 2025. The proportion of standard assets to total funded amount outstanding has consistently improved over the past few years, reaffirming the positive shift in asset quality. The share of top 100 borrowers in total advances of SCBs remained stable at 15.2% in March 2025 and none of them were classified as NPA. (Source: RBI - Financial Stability Report, June 2025)

### Capital Adequacy & Liquidity

As of March 2025, the CRAR of SCBs increased to a record high of 17.3%. All bank groups reported higher CRAR in March 2025, compared to their September 2024 positions. The increase in CRAR during the quarter ending March 2025 can be attributed to higher growth in total capital relative to the growth in RWA during this period. CET1 capital ratio also increased across bank groups, indicating accretion of high-quality capital by banks. The overall tier 1 leverage ratio remained stable at 7.9%. (Source: RBI - Financial Stability Report, June 2025) SCBs have further improved their liquidity positions in March 2025, as evident from the strengthening of both liquidity coverage ratio (LCR) and net stable funding ratio (NSFR). Both LCR and NSFR have been comfortably above the regulatory minimum of 100% across bank groups. (Source: RBI - Financial Stability Report, June 2025)

### Resilience – Macro Stress Tests

Macro stress tests aim to assess the resilience of the banking system to macroeconomic shocks. The tests project capital ratios of banks under three scenarios - a baseline and two adverse macro scenarios over a two-year horizon, incorporating credit risk, market risk and interest rate risk in the banking book in the framework. The capital projections do not take into account any further planned recapitalisation by stake-holders or any future regulatory changes. While the Baseline Scenario is derived from the forecasted path of macroeconomic variables, the two Adverse Scenarios are hypothetical stringent stress scenarios derived by performing simulations using a VARX model (i) Adverse Scenario 1 (Geopolitical risk scenario): This scenario assumes a volatile global environment with heightened geopolitical risks and escalation of global financial market volatility. Supply chain disruptions adversely affect the commodity prices leading to rise in domestic inflation. The scenario further assumes that the domestic monetary policy tightens and the spread between lending rates and policy rate widens due to market instability. (ii) Adverse Scenario 2 (Global growth slowdown scenario): This scenario assumes a synchronized sharp growth slowdown in key global economies. Spillovers through trade and financial channels as well as market fragmentation dent domestic GDP growth. As a result, monetary policy eases to support growth. The scenario further assumes widening of lending spread due to higher uncertainty. The macro stress tests results emphasise the resilience of SCBs to macroeconomic shocks. (Source: RBI - Financial Stability Report, June 2025)

The results revealed that the aggregate CRAR of 46 major SCBs may marginally dip to 17.0% by March 2027 from 17.2% in March 2025, under the Baseline Scenario. It may decline to 14.2% under Adverse Scenario 1, and to 14.6% under Adverse Scenario 2. However, none of the banks would fall short of the regulatory minimum requirement of 9% even under the Adverse Scenarios. The CET1 capital ratio of the select 46 banks may rise from 14.6% in March 2025 to 15.2% by March 2027 under the Baseline Scenario. However, it may fall to 12.5% under Adverse Scenario 1, and to 12.9% under Adverse Scenario 2. None of the banks would breach the regulatory minimum requirement of 5.5% under any of these scenarios. The aggregate GNPA ratio of the 46 banks may marginally rise from 2.3% in March 2025 to 2.5% in March 2027 under the Baseline Scenario and to 5.6% and 5.3%, under Adverse Scenario 1 and Adverse Scenario 2, respectively. (Source: RBI - Financial Stability Report, June 2025)

### Shift towards a Digital and Cashless Economy

The GoI is taking steps to promote a cashless economy such as its flagship ‘Digital India’ program, which envisions transforming India into a digitally empowered society and knowledge economy. As part of promoting cashless transactions, various modes of digital payment are available, including debit cards, credit cards, mobile banking, point of sale, unified payments interface and forex cards. (Source: RBI Annual Report – 2019-20)

For instance, the volume (in terms of number of transfers) of RTGS, IMPS, NEFT, UPI transfers were 302.5 million, 5,625.0 million, 9,619.8 million, and 185,866.0 million, respectively, in Financial Year 2024- 2025, up from 270.0 million, 6,005.3 million, 7,264.0 million, and 131,129.5 million, respectively in Financial Year 2023- 2024. The value of RTGS, IMPS, NEFT and UPI transfers were ₹ 2,013,900 billion, ₹ 71,400 billion, ₹ 443,600 billion and ₹ 260,600 billion, respectively, in Financial Year 2024- 2025, compared to ₹ 1,708,900 billion, ₹ 65,000 billion, ₹ 391,400 billion and ₹ 20,000 billion, respectively, in Financial Year 2023- 2024. (Source: RBI Annual Report – 2024-2025).

The RBI is also engaged in introduction of Digital Rupee (“e₹”), the Central Bank Digital Currency (“CBDC”) in India. It is similar to the physical currency in terms of being a legal tender, accepted as a medium of payment and a safe store of value. The e₹ will provide an additional form of money to be used by the public. (Source: RBI – Financial Stability Report Issue No. 26,

December 2022). Additionally, the RBI plans to expand access to CBDC wallets to a broader customer base by allowing non-bank payment system operators to offer them.

Recently, the RBI has also proposed to set up a Digital Payments Intelligence Platform which will harness advanced technologies to mitigate payment fraud risks, and to bring recurring payments such as Fastag, NCMC, UPI Lite, etc. within the ambit of the e-mandate framework by introducing an auto-replenishment facility for such payments. (Source: RBI Statement on Developmental and Regulatory Policies, June 19, 2024).

To mitigate the attendant risks like algorithmic bias, explainability of decisions, data privacy, etc., it proposed to constitute a committee to develop a Framework for Responsible and Ethical Enablement of AI (FREE-AI) in the Financial Sector. The Committee will comprise of experts from diverse fields and shall recommend a robust, comprehensive, and adaptable AI framework for the financial sector. The details of the committee will be notified separately. Furthermore, the Reserve Bank has been taking various measures in coordination with banks and other stakeholders to prevent and mitigate digital frauds in the financial sector. These include RBI guidelines to regulated entities for strengthening cybersecurity, cyber fraud prevention and transaction monitoring. (Source: RBI Statement on Developmental and Regulatory Policies, December 06, 2024)

## Certain Key Banking Business Sectors

### MSME Sector

Both public and private sector banks increased their lending to the MSME sector in Fiscal 2024. The strong growth, despite the expiry of the Emergency Credit Line Guarantee Scheme (“ECLGS”), introduced during the COVID-19 pandemic, points to the underlying growth momentum of the sector.

In the Union Budget for Fiscal 2024, the government announced the revamping of credit guarantee scheme for micro and small enterprises with effect from April 1, 2023, with an infusion of ₹ 90,000 million to the corpus to enable additional collateral-free guaranteed credit of ₹ 2,000 billion and the reduction in the cost of the credit by about 1.00%. Besides, the limit on ceiling for guarantees has been enhanced from ₹ 20 million to ₹ 50 million (Source: RBI Annual Report - 2023-2024)

The Union Budget 2025-2026 introduced a series of measures aimed at strengthening the MSME sector. The credit guarantee cover for micro and small enterprises has been increased from ₹5 crore to ₹10 crore, enabling additional credit of ₹1.5 lakh crore over five years. Startups will see their guarantee cover double from ₹10 crore to ₹20 crore, with a reduced fee of 1% for loans in 27 priority sectors. Exporter MSMEs will benefit from term loans up to ₹20 crore with enhanced guarantee cover. (Source: Press Information Bureau - Budget 2025-26: Fuelling MSME Expansion – posted on 4th Feb 2025)

### Priority Sector - I

The PSL for SCBs stood at 43.1% as on March 31, 2025. All bank groups achieved the prescribed PSL target of 40% during Financial Year 2024- 2025. (Source: RBI Annual Report 2024-2025)

| Performance in Achievement of Priority Sector Lending Targets |                     |                      |               |
|---------------------------------------------------------------|---------------------|----------------------|---------------|
| Financial Year                                                | Public Sector Banks | Private Sector Banks | Foreign Banks |
| 2024                                                          | 31.9                | 24.1                 | 2.5           |
|                                                               | (42.6%)             | (47.4%)              | (41.6%)       |
| 2025*                                                         | 36.0                | 27.1                 | 2.7           |
|                                                               | (42.4%)             | (44.3%)              | (42.0%)       |

\*: Provisional

Note: Figures in parentheses are percentages to ANBC (adjusted net bank credit) or CEOBE (credit equivalent of off-balance sheet exposure), whichever is higher.

(Amount in ₹ lakh crore, except parentheses) (Source: RBI Annual Report 2024-2025)

## Developments and Reforms in the Banking Sector

### Implementation of the Basel III Capital Regulations

The RBI has issued guidelines based on the Basel III reforms on capital regulation to the extent applicable to banks operating in India. These guidelines require, among other things, higher levels of Tier I Capital and common equity, a capital conservation buffer (“CCB”), maintenance of a minimum prescribed leverage ratio on a quarterly basis, higher deductions from common equity and Tier I Capital for investments in subsidiaries and changes in the structure of non-equity instruments eligible for inclusion in Tier I and Tier II capital.

In December 2010, the Basel Committee on Banking Supervision issued a comprehensive reform package for capital regulations (Basel III). The objective of the reform package is to improve the banking sector’s ability to absorb shocks arising

from financial and economic stress, thus reducing the risk of spill over from the financial sector to the real economy. (Source: *RBI – Guidelines on Implementation of Basel III Capital Regulations in India*)

The Basel III capital regulations were implemented in India with effect from April 1, 2013 and have been fully implemented as on October 1, 2021. Banks shall maintain a minimum Pillar 1 capital to risk-weighted assets ratio of 9% on an on-going basis (other than CCB and countercyclical capital buffer amongst others). Common Equity Tier 1 capital must be at least 5.5% of risk-weighted assets (“**RWAs**”). Tier 1 capital must be at least 7% of RWAs on an ongoing basis. Thus, within the minimum Tier 1 capital, Additional Tier 1 capital can be admitted maximum at 1.5% of RWAs. Banks are also required to maintain a CCB of 2.5% of RWAs in the form of Common Equity Tier 1 capital. (Source: *RBI Master Circular - Basel III Capital Regulations, April 1, 2025*)

In addition, the Basel III liquidity framework introduced the net stable funding ratio (“**NSFR**”), which measures the ratio between the available stable funding with maturities greater than one year and the required stable funding with maturities greater than one year to support long-term lending and other long-term assets. For banks in India, the RBI had released the final guidelines and prescribed an NSFR of at least 100% from April 1, 2020. However, in view of exceptional conditions due to COVID-19, the RBI, by way of its notifications dated March 27, 2020 and September 29, 2020, deferred its NSFR implementation to April 1, 2021. In view of the economic stress on account of COVID-19, it was decided to defer the implementation of NSFR guidelines by a further period of six months. Accordingly, the NSFR Guidelines came into effect from October 1, 2021. (Source: *RBI – Basel III Framework on Liquidity Standards – Net Stable Funding Ratio, February 5, 2021*)

### **Leverage Ratio Framework**

In June 2019, as a part of the ‘Leverage Ratio Framework’, the RBI announced that the minimum Leverage Ratio would be 4% for Domestic Systemically Important Banks and 3.5% for other banks. Both the capital measure and exposure measure along with Leverage Ratio are to be disclosed on a quarter-end basis. However, banks must meet the minimum Leverage Ratio requirement at all times. These guidelines were effective from the quarter commencing October 1, 2019. (Source: *RBI Master Circular – Basel III Capital Regulations, April 1, 2024*)

### **Domestic Systemically Important Banks**

In August 2015, the RBI designated the SBI, ICICI Bank and later in September 2017, the HDFC Bank as D-SIBs. Based on the methodology provided in the D-SIB framework and data collected from banks as of March 31, 2018, the RBI, in its release dated March 14, 2019, required SBI, ICICI Bank and HDFC Bank to provide Additional CET1 requirements as a percentage of RWAs of 0.6%, 0.2% and 0.2%, respectively. In accordance with the RBI’s press release dated March 14, 2019, these CET1 requirements were applicable to D-SIBs from April 1, 2016 in a phased manner and became fully effective from April 1, 2019 onwards. The additional CET1 requirements were in addition to the CCB. As per the RBI press release dated December 28, 2023, SBI and HDFC Bank are required to maintain additional CET1 requirements as a percentage of RWAs of 0.8% and 0.4% respectively, which will be effective from April 1, 2025. The additional CET1 requirement will be in addition to the CCB. (Source: *RBI releases 2018 List of D-SIBs dated March 14, 2019 and RBI releases 2020 List of D-SIBs dated January 19, 2021 and RBI releases 2022 List of D-SIBs dated January 2, 2023 and RBI releases 2023 List of Domestic Systemically Important Banks dated December 28, 2023*)

### **The Insolvency and Bankruptcy Code (Amendment) Act, 2017**

The Insolvency and Bankruptcy Code (Amendment) Act, 2017 bars willful defaulters, defaulters whose dues have been classified as NPAs for more than one year, and all connected persons (‘connected persons’ refers only to persons who are connected to the resolution applicant’s business activity) from submitting resolution plans and purchasing the assets of corporate debtors in liquidation. An enabling provision is in place to provide a cure for ineligibility conditions and help in meeting the corporate insolvency resolution process (“**CIRP**”) timeline. It also empowers the insolvency professional to lay down qualifying criteria for resolution applicants familiar with the complexity and scale of the corporate debtor’s operations. (Source: *The Gazette of India – The Insolvency and Bankruptcy Code (Amendment) Act, 2017*)

### **The Insolvency and Bankruptcy Code (Second Amendment) Act, 2020**

The Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 (effective June 5, 2020) provides a time-bound process for resolving insolvency in companies and among individuals. The Act seeks to temporarily suspend initiation of the CIRP under the IBC. The Act provides that, for defaults arising during the six months from March 25, 2020, the CIRP can never be initiated by either the company or its creditors. The central government may extend this period to one year by way of a notification. The Act clarifies that, during this period, the CIRP can be initiated for any defaults arising before March 25, 2020. Under the IBC, a Director or Partner of the corporate debtor may be liable to make personal contributions to the assets of the company in certain situations. This liability can occur if, despite knowing that the insolvency proceedings could not be avoided,

the person did not exercise due diligence in minimizing potential loss to the creditors. The resolution professional may apply to the National Company Law Tribunal to hold such persons liable. The resolution professional is appointed to manage the resolution process upon the acceptance of an application for initiation of the CIRP. The Act prohibits the resolution professional from filing such an application in relation to the defaults for which initiation of the CIRP has been prohibited. (Source: *The Gazette of India – The Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 dated September 23, 2020*)

### **The Insolvency and Bankruptcy Code (Amendment) Act, 2021**

The Insolvency and Bankruptcy Code (Amendment) Act, 2021 (effective April 4, 2021) introduced an alternate insolvency resolution process called the Pre-packaged Insolvency Resolution Process (“**PPIRP**”) for MSMEs with minimum amount of default is Rs. 1 lakh and no maximum ceiling. It also allows Corporate Debtors (“**CDs**”) to initiate a PPIRP with the approval of two-thirds of their creditors to resolve their outstanding debt under the new mechanism. The management of the affairs of the corporate debtor shall continue to vest in the board of directors or the partners who shall make every endeavour to protect and preserve the value of the property of the corporate debtor, and manage its operations as a going concern. (Source: *The Gazette of India – The Insolvency and Bankruptcy Code (Amendment) Act, 2021 dated August 11, 2021*)

### **Amendments to the Banking Regulation Act**

The Banking Regulation (Amendment) Act, 2017 was enacted with a view to give the RBI extensive powers to issue directions to banks for the resolution of stressed assets. The amendment introduced two new sections to the Banking Regulation Act: Section 35AA, which enables the RBI, with the authorisation of the Central Government, to direct banks to commence the insolvency resolution process against the defaulting company under the IBC and Section 35AB, which enables the RBI to issue directions to any banking company or group of banking companies for the resolution of stressed assets. (Source: *The Gazette of India – The Banking Regulation (Amendment) Act, 2017*)

The Banking Regulation (Amendment) Act, 2020 was enacted with a view to expand the RBI’s regulatory control over co-operative banks in terms of management, capital, audit and liquidation. The bill makes two changes: (i) extending previously omitted provisions of the Banking Regulation (Amendment) Act, 2017 to co-operative banks, and (ii) amending certain provisions of the Banking Regulation Act, 1949 applying to all banks. (Source: *The Gazette of India – The Banking Regulation (Amendment) Act, 2020*)

### **Recent Policy Measures Undertaken by the RBI**

#### Statutory Liquidity Ratio (“**SLR**”) Holdings in Held-to-Maturity (“**HTM**”) Category

On September 1, 2020, the RBI increased the limits under the held to maturity (“**HTM**”) category from 19.5% to 22% of NDTL in respect of SLR-eligible securities acquired on or after September 1, 2020 and on or before March 31, 2021. This dispensation was made available up to March 31, 2022. In order to provide certainty to the market participants in the context of the borrowing programme of the centre and states for 2021-22, it has been decided to extend the dispensation of enhanced HTM of 22% up to March 31, 2023 to include securities acquired between April 1, 2021 and March 31, 2022. (Source: *RBI - Statement on Developmental and Regulatory Policies dated February 5, 2021*). The RBI increased the limit for holding securities under the HTM category from 22 per cent to 23 per cent of NDTL, effective April 8, 2022. The HTM limit have been restored to 19.5% in a phased manner as on March 31, 2025. (Source: *RBI Annual Report – 2024-2025*)

#### Individual Housing Loans – Rationalisation of Risk Weights

On October 12, 2020, the RBI had rationalized the risk weights for individual housing loans by linking them only with loan to value ratios for all new housing loans sanctioned up to March 31, 2022. Taking importance of the housing sector into consideration along with its multiplier effects and its role in supporting the overall credit growth, it was decided that the risk weights as prescribed in October 2020 circular shall continue for all new housing loans sanctioned up to March 31, 2023. (Source: *RBI – Statement on Developmental and Regulatory Policies dated April 8, 2022*)

#### Introduction of the Standing Deposit Facility (“**SDF**”)

In 2018, RBI introduced SDF – an additional tool for absorbing liquidity without any collateral. The RBI government statement dated June 6, 2025 on decision of MPC decided to reduce the policy repo rate under the LAF by 50 basis points to 5.50 %; consequently, SDF rate shall stand adjusted to 5.25 % and the MSF rate and the Bank Rate to 5.75 %. (Source: *RBI – Government Statement dated June 6, 2025 on decision of Monetary Policy Committee*)

### Restoration of the Symmetric LAF Corridor

With effect from April 8, 2022, the RBI restored width of LAF corridor to pre-pandemic level. With the introduction of the SDF at 3.75%, the policy repo rate being at 4.00% and the MSF rate at 4.25%, the width of the LAF corridor is restored to its pre-pandemic configuration of 50 basis points. (Source: RBI – Statement on Developmental and Regulatory Policies dated April 8, 2022)

### Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies

On January 16, 2023, the RBI issued Master Directions and guidelines for major shareholders (Acquisition and Holding of Shares or Voting Rights in Banking Companies) consolidating the earlier directions. The major changes made in the guidelines include updates in the limits on permissible shareholding by different categories of shareholders, introduction of reporting requirements for encumbrance of shares by promoter and strengthening of arrangements for continuous monitoring of the ‘fit and proper’ status of major shareholders of a banking company. (Source: RBI Notifications on ‘Master Directions and Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies’ dated January 16, 2023. Available at <https://www.rbi.org.in>)

### Securities Lending and Borrowing in Government Securities

The RBI proposed to permit lending and borrowing of Government securities which will augment the existing market for ‘special repos’. The system is expected to facilitate wider participation in the securities lending market by providing investors an avenue to deploy idle securities and enhance portfolio returns. (Source: RBI – Statement on Developmental and Regulatory Policies dated February 8, 2023). The eligible securities for Government Securities Lending (“GSL”) are – (a) Government securities issued by the Central Government excluding Treasury Bills shall be eligible for lending/borrowing under a GSL transaction. Securities obtained under a repo transaction, including through Reserve Bank’s LAF, or borrowed under another GSL transaction shall also be eligible to be lent under a GSL transaction; (b) Government securities issued by the Central Government (including Treasury Bills) and the State Governments shall be eligible for placing as collateral under a GSL transaction. Securities obtained under a repo transaction, including through Reserve Bank’s LAF, or borrowed under another GSL transaction shall also be eligible to be placed as collateral under a GSL transaction. The use of security borrowed and substitution of collateral is (a) Securities borrowed under a GSL transaction may be – (1) Sold either through an outright or a repo transaction or used for meeting a delivery obligation in a short sale; or (2) Used for availing Reserve Bank’s LAF; or; (3) Lent under another GSL transaction; or; (d) Placed as collateral under another GSL transaction; (b) Securities placed as collateral may be substituted by the borrower with other eligible securities in terms of the rules of the central counterparty.

The computation of SLR – (1) SLR eligible securities borrowed under a GSL transaction shall be eligible to be reckoned for SLR by the borrower. Accordingly, such securities lent under a GSL transaction shall not be eligible to be reckoned for SLR by the lender; (2) SLR eligible securities received as collateral under a GSL transaction shall be eligible to be reckoned for SLR by the lender. Accordingly, such securities placed as collateral under a GSL transaction shall not be eligible to be reckoned for SLR by the borrower (Source: Reserve Bank of India (Government Securities Lending) Directions, 2023 dated December 27, 2023)

### Recovery of Penal Charges on Loans

The extant regulatory guidelines on levy of penal interest have been reviewed by the RBI. It has been decided that any penalty for delay/default in servicing of the loan or any other non-compliance of material terms and conditions of loan contract by the borrower shall be in the form of ‘penal charges’ in a reasonable and transparent manner and shall not be levied in the form of ‘penal interest’ that is added to the rate of interest being charged on the advances. Further, there shall be no capitalization of penal charges (i.e., the same shall be recovered separately and shall not be added to the principal outstanding). However, in case of any deterioration in credit risk profile of the borrower, REs shall be free to alter the credit risk premium under extant guidelines on interest rate. (Source: RBI – Statement on Developmental and Regulatory Policies dated February 8, 2023)

### Governance, measurement, and management of Interest Rate Risk in the Banking Book (“IRRBB”)

On February 17, 2023, the RBI issued final guidelines on IRRBB, in line with revised framework issued by the Basel Committee on Banking Supervision. The IRRBB arises from banking activities and is encountered by all banks. It arises because interest rates can vary significantly over time, while the business of banking typically involves intermediation activity that produces exposure to both maturity mismatch and rate mismatch. The date of implementation will be communicated in due course. (Source: RBI Notifications on ‘Governance, measurement and management of Interest Rate Risk in Banking Book’ dated February 17, 2023)

### Operation of Pre-Sanctioned Credit Lines at Banks through the UPI

UPI is a robust payments platform supporting an array of features. Presently it handles 75% of the retail digital payments volume in India. The UPI system has been leveraged to develop products and features aligned to India's payments digitization goals. Recently, RuPay credit cards were permitted to be linked to UPI. It is now proposed to expand the scope of UPI by enabling transfer to / from pre-sanctioned credit lines at banks, in addition to deposit accounts. Currently, savings account, overdraft account, prepaid wallets and credit cards can be linked to UPI. (Source: RBI – Statement on Developmental and Regulatory Policies dated April 6, 2023 and RBI – Statement on Developmental and Regulatory Policies dated September 4, 2023)

### Framework for acceptance of Green Deposits

On April 11, 2023, the RBI notified framework for acceptance of green deposits to enable financial sector mobilising resources and their allocation thereof in green activities/projects. The framework to come in effect from June 1, 2023. (Source: RBI Notifications on 'Framework for acceptance of Green Deposits' dated April 11, 2023)

### ₹ 2,000 Denomination Banknotes – Withdrawal from Circulation

On May 19, the RBI decided to withdraw ₹ 2,000 denomination banknotes from circulation in pursuance of the "Clean Note Policy". The ₹ 2000 denomination banknotes will remain legal tender. The facility for deposit and/or exchange of ₹ 2,000 banknotes shall be available for members of the public up to September 30, 2023. (Source: RBI Circular) As the period specified for the withdrawal has come to an end, based on a review, it has been decided to extend the current arrangement for deposit / exchange of ₹ 2,000 banknotes until October 7, 2023. With effect from October 8, 2023, banks shall stop accepting ₹ 2000 banknotes for credit to accounts or exchange to other denomination banknotes. ₹ 2,000 banknotes shall continue to be allowed to be presented at the 19 Regional Offices of RBI having Issue Departments (RBI Issue offices) for credit to the bank accounts in India or exchange (Source: RBI Circular)

### Guidelines on Default Loss Guarantee in Digital Lending

The RBI decided to permit arrangements between regulated entities and lending service providers or between two regulated entities involving Default Loss Guarantee ("DLG"), commonly known as First Loss Default Guarantee ("FLDG"), subject to the guidelines laid down in the Annex to the referred circular. DLG arrangements conforming to these guidelines shall not be treated as 'synthetic securitisation' and/or shall also not attract the provisions of 'loan participation'. (Source: RBI (Digital Lending) Directions dated May 8, 2025)

### Requirement for maintaining additional CRR

On August 10, 2023, while reviewing the monetary policy for Financial Year 2023- 2024, the RBI announced incremental CRR ("I-CRR") of 10.00% on the increase in NDTL between May 19, 2023, and July 28, 2023. (Source: RBI Notifications dated August 10, 2023)

As announced in the RBI Press Release dated September 08, 2023, on a review, it has been decided to discontinue the I-CRR in a phased manner. Based on an assessment of current and evolving liquidity conditions, it has been decided that the amounts impounded under the I-CRR would be released in stages so that system liquidity is not subjected to sudden shocks and money markets function in an orderly manner. As on September 9, September 23 and October 7, 2023 amount to be released are 25%, 25% and 50% of the ICRR maintained. (Source: RBI Notifications dated September 8, 2023)

Furthermore, as announced in the Governor's Statement dated June 06, 2025, it has been decided to reduce the CRR of all banks by 100 basis points in four equal tranches of 25 basis points each to 3.0% of NDTL. Accordingly, banks are required to maintain the CRR at 3.75%, 3.5%, 3.25% and 3.0% of their NDTL effective from the reporting fortnight beginning September 6, October 4, November 1 and November 29, 2025, respectively.

### Regulatory measures towards consumer credit and bank credit to NBFCs

On November 16, 2023, RBI has announced the following regulatory measures towards consumer credit and bank credit to NBFCs:

#### A. Consumer credit exposure

- (a) The risk weight for commercial banks towards consumer credit (outstanding as well as new) including personal loan, but excluding housing loans, education loans, vehicle loans and loans secured by gold and gold jewellery has been increased by 25% points from 100% to 125%; and

(b) The risk weight for credit card receivables of SCBs has been increased by 25% points from 125% to 150%.

*B. Bank credit to NBFCs*

Increase the risk weight on exposure of SCBs to NBFCs (excluding core investment companies) by 25% points in all cases where the extant of risk weight as per external rating of NBFCs is below 100%. For this purpose, loans to HFCs, and loans to NBFCs which are eligible for classification as priority sector shall be excluded.

*C. Strengthening credit standards*

The REs shall review their extant sectoral exposure limits for consumer credit and put in place, if not already there, Board approved limits in respect of various sub-segments under consumer credit as may be considered necessary by the Boards as part of prudent risk management. In particular, limits shall be prescribed for all unsecured consumer credit exposures. The limits so fixed shall be strictly adhered to and monitored on an ongoing basis by the Risk Management Committee.

All top-up loans extended by REs against movable assets which are inherently depreciating in nature, such as vehicles, shall be treated as unsecured loans for credit appraisal, prudential limits and exposure purposes. (*Source: RBI notifications dated November 16, 2023*)

On a review, vide a circular dated February 25, 2025, it was decided to restore the risk weight on SCBs funding to NBFCs to the risk weight associated with the given external rating of NBFCs (where the extant risk weight as per external rating of NBFCs is below 100%). And the microfinance loans in the nature of consumer credit shall be risk weighted at 100%. (*Source: RBI Annual Report 2024-25*)

## OUR BUSINESS

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward Looking Statements” on page 16 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read sections “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, on pages 36 and 77, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year. Unless otherwise specified or unless the context otherwise requires, financial information herein for Fiscals 2025, 2024 and 2023 is derived from our Audited Standalone Financial Statements, included in this Placement Document.*

*The degree to which the financial information prepared in accordance with Indian GAAP will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.*

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, and includes extracts from publicly available documents from various sources, including officially prepared materials from the Government of India (the “GoI” or “Government”) and its various ministries including the Ministry of Statistics and Programme Implementation and the Reserve Bank of India, and has not been prepared or independently verified by our Bank, the Book Running Lead Managers or any of their affiliates or advisers.*

*Unless otherwise stated, references to “the Bank” or “our Bank”, are to State Bank of India on a standalone basis and references to “we”, “us”, “our”, “the Group” are to State Bank of India on a consolidated basis.*

### Overview

As on March 31, 2025, the Bank is the largest bank in India in terms of advances, with a market share of 19.36% (Source: RBI Publication on Advances with SCBs), deposits, with a market share of 22.54% (Source: RBI Publication on Deposits with SCBs) and branch presence, with 22,937 branches in India, based on RBI data. As of March 31, 2025, the Bank also has 63,791 Automated Teller Machines (“ATM”, including 13,366 Automated Deposit cum Withdrawal Machines (“ADWM”)), 77,251 Customer Service Points (“CSP”) and more than 520 million customers. On a standalone basis, the Bank had deposits of ₹ 53,821.90 billion, gross advances of ₹ 42,207.03 billion and a total assets base of ₹ 66,760.53 billion, as of March 31, 2025. The Bank has recorded the highest profits in the Indian banking industry for Fiscal 2025, at ₹ 709.01 billion. In addition to physical branch presence, the Bank also has a wide online presence and reach across the market, reaching a wide array of customers through its digital platform YONO, which, as of March 31, 2025, has over 87.70 million registered users. The Bank also holds a large market share in digital services such as mobile banking transactions, debit card spends, and POS terminals; as of March 31, 2025, the market share of the Bank’s debit card spends was 24.84%, Point of Sale (“POS”) terminals was 15.00%, ATMs was 29.07%, number of mobile banking transactions was 26.94%, and value of mobile banking transactions was 23.31% (Source: RBI ATM/POS/Card Statistics). Given the large size and scale of the Bank, it is categorized as one of the domestic systemically important banks (“D-SIB”) by the RBI.

Consistent with the Bank’s branding as “State Bank of India” and its ambition of being the “The Banker to Every Indian”, the Bank has evolved itself into a diversified financial services conglomerate, offering customers solutions and products that span across loans, advances and deposits (both retail and wholesale), foreign exchange and derivatives products, retail lending and deposits, fee-and commission-based products and services, as well as alternative payment products such as internet banking, mobile payments, UPI, gift cards and prepaid cards among others. The Bank is also present, through its subsidiaries and joint ventures, in diverse segments of the Indian financial sector, including asset management, investment banking, factoring and commercial services, treasury operations, credit cards, payment services, life insurance and general insurance. See “— Indian Subsidiaries and Joint Ventures” on page 171. Additionally, the Bank has a global footprint, with 244 international branches/offices and presence in 29 countries. These diversified products and services offerings, combined with the Bank’s large scale across physical and digital platforms positions it well to serve the diverse needs of its customers at their convenience.

The Government of India (“GoI”) is the majority shareholder of the Bank, owning 56.92% of the Bank’s issued shares as at March 31, 2025. The Bank’s shares are listed on the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) and its global depositary receipts are listed on the London Stock Exchange.

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

- The Retail Business and Operations (“RB&O”).
- The Corporate Accounts Group



- Project Finance & Structuring Strategic Business Unit
- The Commercial Clients Group
- The International Banking Group
- The Global Markets Unit
- Government Business Services and Solutions Unit

The Bank paid a dividend of ₹ 15.90 per share for the year ended March 31, 2025, compared to a dividend of ₹ 13.70 and ₹ 11.30 per share for the years ended March 31, 2024 and March 31, 2023 respectively. The Bank's earnings per share for the year ended March 31, 2025 was ₹ 79.44 compared to ₹ 68.44 for the year ended March 31, 2024 and ₹ 56.29 for the year ended March 31, 2023.

The Bank's subsidiary businesses also hold a prominent position in the Indian financial sector, further solidifying its market leadership. The Bank's life insurance subsidiary, SBI Life, is India's largest life insurer among private players, with a 20.8% market share in total new business premium as of March 31, 2025 (*Source: LI Council NBP Data*). Bank's asset management subsidiary, SBI Funds, has been market leader since Q4 of Fiscal 2020 with AAUM (quarterly average) of ₹ 10.73 trillion and market share of 15.91% as on March 31, 2025, as against AAUM of ₹ 9.14 trillion with a market share of 16.89% during the corresponding period in Fiscal 2024, as against AAUM of ₹ 7.17 trillion with a market share of 17.71% during the corresponding period in Fiscal 2023 (*Source: AMFI Average AUM Data*). Bank's credit cards subsidiary, SBI Cards and Payment Services Limited ("**SBI Cards**"), is the second largest credit cards issuer in India, with 20.8 million cards in force and third largest credit card company in terms of overall expenditure as of March 31, 2025 (*Source: RBI ATM/POS/Card Statistics*).

The Group comprises both banking and non-banking operations. Banking operations are the largest part of the Group in terms of total assets and net profit, with the Bank's standalone assets representing 91.28% of the Group's total assets and standalone profits representing 91.41% of the Group's net profits respectively for Fiscal 2025. The Group also conducts operations outside India, both through branches operated by the Bank's International Banking Group and through subsidiaries, associates, joint ventures and investments outside India.

For Fiscal 2025, the Group's net profit, on a consolidated basis, amounted to ₹ 775.61 billion which was an increase of 15.62% from Fiscal 2024.

The Bank is aligned with the Reserve Bank of India's ("**RBI**") regulatory framework for priority sector lending ("**PSL**"), which mandates that 40% of Adjusted Net Bank Credit ("**ANBC**") be directed towards the priority sector, with at least 18% for agriculture, 7.5 % for micro enterprises and 12% allocated to weaker sections. As of March 31, 2025, priority sector advances, agriculture and weaker section allocations amounted to ₹ 14,089.26 billion, ₹ 5,797.68 billion and ₹ 3,968.75 billion respectively.

## Strengths

### ***India's largest Bank with a trusted and recognized brand and an expansive distribution network***

As on March 31, 2025, the Bank was the largest bank in India in terms of advances, with a market share of 19.36% (*Source: RBI Publication on Advances with SCBs*), deposits, with a market share of 22.54% (*Source: RBI Publication on Deposits with SCBs*) and branch presence, with 22,937 branches in India, based on RBI data. The Bank had over 520 million customer accounts as of March 31, 2025. With 70 years of operations in India, the Bank believes that it is one of the most prominent banking brands in the country, which is built on its long history, a robust and institutionalized operating framework, extensive investment in personnel and compliance. The Bank is India's largest bank, with 22,937 branches in India and 244 international offices in 29 countries as of March 31, 2025. The Bank had the largest ATM network in India as of March 31, 2025 with 63,791 ATMs (including 13,366 ADWMs) as of March 31, 2025 (*Source: RBI ATM/POS/Card Statistics*). The Bank also had deposits, advances and a total assets base of ₹ 53,821.90 billion, ₹ 41,633.12 billion and ₹ 66,760.53 billion, respectively, as of March 31, 2025. As a result of its unparalleled position in India, the Bank has a leading market position in several of its business segments, including deposits and advances, credit cards and payment services. The Bank is one of India's leading providers of education loans, home loans and auto loan where it has a market share of 32.2%, 27.3% and 20.2% as on March 31, 2025.

The Bank's extensive branch and ATM network allows it to provide banking services to a large and growing customer base, including large corporations, institutions and state-owned enterprises, as well as commercial, agricultural, industrial and retail customers throughout India. The assets of the Bank are diversified across business segments, industries and groups, which gives the Bank stability. Moreover, the Bank offers a full range of banking products and services, including short-term and long-term deposits, secured and unsecured loans, internet banking, mobile banking, credit cards, life insurance, merchant banking, agricultural and micro-finance banking products and project finance loans. As a result of its extensive network and product offerings, the Bank is able to meet the full range of its customers' banking needs throughout India. In addition, the Bank's comprehensive product and service offerings provide the Bank with numerous opportunities for cross-selling. Finally, the Bank

is increasing its emphasis on a relationship management model in order to provide more tailored products and services, especially for its key corporate and mid-corporate customers.

Since its designation as a D-SIB in 2015, the Bank has maintained a commanding market share across critical banking metrics including 22.54% of deposits (*Source: RBI Publication on Deposits with SCBs*), 19.36% of advances (*Source: RBI Publication on Advances with SCBs*), 24.84% of debit card spends and 29.07% of ATM transactions as on March 31, 2025 (*Source: RBI ATM/POS/Card Statistics*).

The Bank continues to enhance its brand by making significant investments in the products and services it offers to its customers in and outside of India through a process of regular review of the Bank's operations and processes with a view to updating the Bank's technology, accommodating customer preferences and adjusting to market demands. It has undertaken a business process re-engineering initiative designed to enhance the sales and service at its branches. The Bank believes this initiative has resulted in an increased ability to acquire new customers, build stronger relationships with existing customers and provide customers with the highest quality of service across multiple delivery channels in the shortest time possible. The Bank's sales forces promote the Bank's products to increase market penetration, strengthened low-cost alternative channels and redesigned key processes in important areas such as retail, corporate and international banking.

### ***Largest liability franchise providing stable and low-cost funding***

The Bank believes that its large liability franchise network enables it to provide convenient services to a broad customer base across India. The Bank has the largest deposit base among all commercial banks in India, amounting to ₹ 53,821.90 billion as of March 31, 2025, representing a market share of approximately 22.54% of aggregate deposits among all RBI-SCBs (*Source: RBI Publication on Deposits with SCBs*). The Bank also has a large and growing percentage of relatively low-cost current and savings account ("CASA") deposits within its deposit mix, with the ratio of CASA deposits to its total deposits as of March 31, 2025 standing at 39.97%. The Bank serves 18.41 million salary accounts as of March 31, 2025.

### ***Comprehensive suite of product and service offerings with focus on credit growth and financial inclusion***

The Bank delivers a full suite of products and services, positioned across key business verticals, spanning across its retail, Micro, Small and Medium Enterprises ("MSME"), corporate and agriculture segments. As of March 31, 2025, the Bank experienced broad-based year-on-year growth in its credit portfolio, with retail personal advances rising 11.4% to ₹ 15,064.77 billion, Agriculture increasing 14.3% to ₹ 3,485.24 billion, small and medium-sized enterprises ("SME") lending expanding 16.9% to ₹ 5,060.27 billion, and Corporate growing by 9.0% to ₹ 12,405.92 billion. The total domestic advances climbed to ₹ 36,016.20 billion, while advances from foreign offices rose 14.8%, to ₹ 6,190.83 billion, resulting in an overall credit growth of 12%, with total whole bank gross advances at ₹ 42,207.03 billion.

In Fiscal 2025, the Bank also achieved 40.00% in total priority sector lending, 17.01% in Agriculture, and 15.37% towards MSMEs and 7.62% towards other Priority Sector Credit. The Bank also has 62 Business Correspondents ("BC") which have a network of over 77,000 outlets generating transactions amounting to ₹ 4,271.12 billion in Fiscal 2025. Additionally, the Bank is the market leader in social security schemes amongst PSBs, managing 32.49% of subscribers in the Atal Pension Yojana ("APY"), 40.06% in Pradhan Mantri Suraksha Bima Yojana ("PMSBY"), and 47.32% in Pradhan Mantri Jeevan Jyoti Bima Yojana ("PMJJBY") amongst PSBs.

The Bank through its Subsidiaries also offers innovative and inclusive products ranging from current and savings accounts to specialised schemes like the Pradhan Mantri Jan-Dhan Yojana ("PMJDY") which ensures the opening of a Basic Saving Bank deposit account for unbanked persons, with no requirement of minimum balance, to provide access to a range of financial services, need-based credit, remittance facilities and insurance, particularly for weaker section and low income groups. As of March 31, 2025, the bank had a 35.24% in PMJDY amongst PSBs (*Source: PMJDY Data*). The Bank also provides doorstep banking, payments and remittance solutions, credit cards, insurance (life, general, and health), asset management, wealth management, investment broking, and capital market services.

### ***Distinctive relationship with the Government of India, state governments and state-owned enterprises***

As of the date of this Placement Document, the Government owns 56.92% of the Bank. Historically, the Bank has enjoyed support from the Government, including capital injections and preferential access to Government business. Since March 30, 2015, the Government has made the following contributions of equity capital: On April 1, 2015, September 30, 2015, and January 20, 2017, the Government injected ₹ 29.70 billion, ₹ 53.90 billion and ₹ 56.80 billion, respectively, through preferential allotment of equity shares. On June 12, 2017, the Bank offered equity shares to qualified institutional investors amounting to ₹ 150.0 billion and in May 2018, the Bank had made a preferential allotment of equity shares amounting to ₹ 88.00 billion to the Government. The Bank believes its strong relationships with both the central government and various state governments are key factors driving asset growth and providing a stable source of business. The Government generates significant business activity in the economy. For the year ended March 31, 2025, 2024 and 2023, the Bank's turnover from Government business was ₹ 65,152.25 billion, ₹ 65,553.30 billion and ₹ 60,353.42 billion, respectively. For the year ended March 31, 2025, for the

year ended March 31, 2024 and for the year ended March 31, 2023, the Bank earned commissions from Government transactions of ₹ 39.14 billion, ₹ 39.19 billion and ₹ 39.53 billion, respectively, or 6.34%, 7.58% and 10.80%, respectively, of the Bank's other (non-interest) income. For Fiscal 2025, the Bank's market share of Government business based on the central government turnover, was over 62%.

In many instances, the Bank acts as the primary agent for certain Government transactions. The Bank acts as the RBI's agent for certain banking businesses of the Government and state governments. The Bank also handles payment functions of the Government through its branches, including salary and pension payments and expenditure payments of various ministries. The Bank believes that this relationship with the Government is instrumental in attracting new customers. In addition, the Bank handles the banking requirements for various Indian public sector enterprises ("PSEs"), including administering payments and loans to employees and offering life insurance and pension plans. As of March 31, 2025, the total net advances to PSEs in India were ₹ 2,183.28 billion. SBI Pension Fund has a mandate from the Pension Fund Regulatory and Development Authority to hold pension funds for the benefit of Government employees.

#### ***Digital leadership backed by advanced integrated technology infrastructure and risk management structure and processes***

For Fiscal 2025, the Bank processed over 98% of all customer transactions via alternate channels. The Bank has consistently maintained its market leadership in digital payment segments as of March 2025, the Bank had a market share of 24.84% in debit card spends, 29.07% in ATMs or CDMs, 26.94% in the number of mobile banking transactions, 23.31% in the value of mobile banking transactions and 15.00% in POS terminals (*Source: RBI ATM/POS/Card Statistics*). The Bank also is a leader across the UPI ecosystem, with a 25.91% market share for remitter banks and a 10.20% market share for beneficiary banks (*Source: UPI Ecosystem Statistics*).

A key driver of the Bank's digital offering is its flagship YONO platform, which has surpassed 87.70 million registered users as of March 31, 2025. YONO has enabled customers to open Current and Savings Accounts (CA/SA), apply for loans, invest in insurance products, and access cross-sell opportunities seamlessly. The Bank's commitment to service excellence is also reflected in reducing customer complaints per lakh customers, and deploying innovative tools such as QR-code based feedback and customer support. The complaints received by the Bank from customers and from the Office of Ombudsman have steadily declined from 3,863,085 in Fiscal 2023 to 3,233,561 in Fiscal 2024 to 2,850,520 in Fiscal 2025. Collectively, these technology-driven advances position the Bank as India's digital banking leader and one-stop shop for all financial needs.

Our database continues to grow richer with growing digital engagement and digital transactions on our platform. This, combined with our artificial intelligence and machine learning driven analytics, helps us improve the efficiency, productivity and performance of the Bank, by enhancing targeted offerings, improving efficiency of the staff as well as improving loan conversions while ensuring risk guardrails are managed at scale for the Bank.

The Bank regularly reviews its internal policies on 'Interest rates on Deposits' and 'Asset and Liability Management' to adapt to the changes in market conditions. The Bank further undertakes stress tests and reverse stress tests to address any risks that may arise as a worst-case scenario. With automation of regulatory reports and returns emanating from Asset and Liability Management, the Bank is well-positioned in monitoring and compliance regarding liquidity and interest rate risk management.

#### ***Strong financial performance, improved asset quality and stable capital position, leveraging synergies from subsidiaries***

The Bank has been able to maintain its strong financial performance as reflected in its performance ratios, such as return on average assets of 1.10%, 1.04% and 0.95% for Fiscals 2025, 2024 and 2023, respectively and return on average equity of 19.09%, 19.71% and 19.09% for Fiscals 2025, 2024 and 2023. The bank's GNPA was 1.82%, 2.24% and 2.78% for Fiscals 2025, 2024 and 2023 respectively, showcasing improving asset quality with consistently improving GNPA in the last three fiscals. The Bank's financial strength is also reflected in its ability to diversify its revenue streams from its non-banking businesses. The Bank's non-interest income, including income from fees and commissions, has risen steadily over the last three fiscals and was ₹ 616.83 billion, ₹ 516.82 billion and ₹ 366.16 billion as of Fiscal 2025, 2024 and 2023 respectively. The Bank's Tier I capital adequacy ratio was 12.11%, 11.93% and 12.06% as of March 31, 2025, 2024 and 2023, respectively. The Bank's capital position, as measured by its total capital adequacy ratios was 14.25%, 14.28% and 14.68% as of March 31, 2025, 2024 and 2023, respectively. All ratios exceeded the mandatory minimum capital adequacy ratio of 12.10%, which positions the Bank to take advantage of growth opportunities in the market.

The Bank is also able to leverage its synergies from its key subsidiaries, including but not limited to: SBI Funds Management Limited – the largest player in the market as on March 31, 2025, having a quarterly Average AUM of ₹10.73 trillion with a market share of 15.91% as on March 31, 2025 (*Source: AMFI Average AUM Data*); SBI Life Insurance Company Limited – ranked number one in Individual New Business Premium, Individual Rated Premium, Total Rated Premium and Total New Business Premium among private insurers in Fiscal 2025; SBI General Insurance Company Limited – The sixth largest general insurance company among private players and ranked number one in personal accident segment amongst private players in Fiscal 2025 (*Source: GI Council Segment Data*); SBI Cards and Payment Services Limited – ranked number 2 in cards and number 3 in spends with a PAT of ₹ 19.16 billion in Fiscal 2025 and SBI Capital Markets Limited – Investment Banking subsidiary which, on a standalone basis, has posted a PAT of ₹ 5.91 billion for the year ended March 31, 2025.

### ***Experienced Management leadership with strong governance***

The Bank has an experienced management team staffed with a significant concentration of career banking professionals. The Bank's central management committee members have extensive experience in the banking and financial services industry. The rest of the senior management team has expertise in key areas, including retail, corporate and international banking services. The management team's extensive and diverse expertise provides the Bank with a broad perspective from which it can make strategic management and operational decisions. Our Central Board of Directors consists of eminent professionals with extensive experience in their respective fields. The Bank is guided by its chairman, Challa Sreenivasulu Setty along with the Managing Directors Ashwini Kumar Tewari, Vinay M. Tonse, Rana Ashutosh Kumar Singh and Rama Mohan Rao Amara who bring with them an extensive knowledge of the banking sector. The Bank believes that its management team has created a clear, strategic direction for the Bank that will allow it to expand and maintain its position as the leading bank in India. For further details, see "*Board of Directors and Senior Management Personnel*" on page 181.

### **Strategies**

#### ***Maintain leadership position in deposits and strengthening the liability franchise***

The Bank is committed to sustaining its long-standing leadership as India's largest commercial bank in terms of deposits and advances. The Bank will continue to prioritize growth, increasing market share and reducing the cost of deposits by increasing share of low-cost deposits by improving the value proposition of Current Account products, leveraging its synergies between corporate and retail business units, while focusing on SME and start-ups and utilizing liability hubs.

#### ***Broad-based growth powered by digital innovation***

The Bank aims to achieve sustainable, broad-based growth across its retail, MSME, SME, agriculture, corporate, rural, and government banking segments by expanding its customer base and deepening engagement through both physical and digital channels. Leveraging its extensive branch network alongside rapid advancements in digital infrastructure, the Bank will continue to address the needs of underbanked and affluent segments alike, fostering financial inclusion and access for over 520 million customers and beyond.

Continued development of tailored financial solutions by dedicated business units will ensure that diverse customer groups across all segments are equipped to participate in and contribute to economic growth. At the same time, the Bank remains committed to accelerating the adoption of advanced technology and digital innovation to enhance operational efficiency, improve product delivery, and provide an outstanding customer experience. The Bank plans to increasingly deploying most advanced technology, Artificial Intelligence, Machine Learning and Business Analytics to augment its product offerings ensuring customer delight and to integrate analytics into its daily operations.

The Bank's growing suite of digital services—including mobile and internet banking, self-service tools such as YONO, WhatsApp Banking, chatbots, and doorstep banking—enables seamless, secure, and convenient banking across customer groups. Continuous investment in robust payment systems and technology infrastructure underpins both current and future service expansion, allowing the Bank to respond dynamically to the evolving needs of existing and new customers.

By integrating inclusive growth objectives with digital transformation, the Bank seeks to broaden participation in the banking sector, achieve greater operational agility, and deliver superior value and experiences for all customers.

#### ***Expand distribution network and develop balanced portfolio of products and services.***

The Bank intends to continue to widen its physical and digital presence while further diversifying its revenues by expanding its products and service offerings, particularly its fee- and commission-based products and businesses, to develop a well-balanced portfolio of products and services tailored to diverse customer needs. This includes:

- financial planning and advisory services;
- online securities trading;
- general insurance services;
- inward and outward remittances;
- private equity and venture capital;
- merchant banking;
- custodial services; and
- pension fund management.

#### ***Maintain leadership positions in subsidiary businesses and enhance cross-sell of its broad financial product portfolio***

The Bank is focused on maintaining leadership positions within its group subsidiaries and joint ventures operating in their respective business verticals. The Bank also intends to increase revenues generated from its banking business by expanding its

distribution network, growing its customer base and diversifying its banking product mix. The Bank intends to use its strong financial position to take advantage of increasing growth opportunities within and outside of India, recruiting new employees, opening new branches and establishing new ATMs. The Bank plans to increase its effort to cross-sell a wide variety of banking products across its business groups and through numerous distribution channels, while also expanding its banking product offerings. The Bank is also pursuing strategic relationships with businesses and government departments to provide finance products to their employees and customers. In addition, the Bank is expanding into the more rural areas of India where growth potential is significant. The Bank also intends to grow its business through further overseas expansion to meet the growing needs of Indian corporations operating overseas and non-resident Indians living abroad.

#### ***Continue to maintain asset quality***

The Bank aims to increase its focus on asset quality and reduce the NPA levels of the Bank. The Bank has put in place administrative structures to enable more effective follow-up and resolution of impaired assets. The Bank plans to adhere to a system of specific account by account solution for the resolution of NPAs. The Bank leverages early warning signals systems for capturing internal triggers and external events that indicate a risk of loans becoming non-performing in a timely manner. The Bank has deployed specialized officials such as law officers and officers with recovery skills wherever necessary, as well as organized recovery camps at rural and semi-urban centers to enable quick cash recoveries of the Bank's NPAs. In cases where "soft" recovery measures such as tele-calling and sending recovery notices are ineffective, the Bank has initiated legal action. The Bank's policy is to take action under the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002, as amended from time to time (the "SARFAESI Act") promptly to recover the dues by sale of secured assets. In addition, the Bank's policy provides for taking action against defaulters under the Recovery of Debts and Bankruptcy Act, 1993, and the Insolvency and Bankruptcy Code, 2016. The Bank appoints and closely monitors resolution agents for quick enforcement of security.

#### ***Continue to strengthen the Bank's risk management and internal controls and focus on capital optimisation.***

The Bank plans to continue enhancing its risk management and internal control capabilities, leveraging new or upgraded IT systems where appropriate, in order to ensure a sound governance structure, independent credit risk management system and strong risk management culture shared by all employees. The Bank continues to implement Basel II and Basel III guidelines by applying advanced risk management tools and by continuously enhancing the Bank's risk identification, measurement, monitoring and control capabilities. The Bank regularly examines its internal control policies and procedures to enhance the effectiveness of the entire internal control system. For example, in order to improve the Bank's internal control capabilities, the Bank established a committee to develop a plan to improve the Bank's culture of compliance with internal procedures, including enhancing the role of IT in monitoring compliance and reducing non-compliance.

### **BUSINESS GROUPS**

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

- I. Retail Business & Operations Group ("RB&O");
- II. Corporate Accounts Group;
- III. Project Finance & Structuring Strategic Business Unit;
- IV. Commercial Clients Group;
- V. International Banking Group;
- VI. Global Markets Unit; and
- VII. Government Business Services and Solutions Unit.

The Bank's administrative services and management, including risk management, information technology, inspection, audit, legal and human resource and training functions are common to all of its principal business groups.

#### **I. Retail Business & Operations Group**

The RB&O provides a range of retail banking products and services to individuals, including through financial inclusion programs in urban, metropolitan, semi-urban and rural areas, corporate banking products and services to the Bank's corporate, mid-corporate and small enterprise customers that are not serviced by the Corporate Accounts Group or the Commercial Clients Group, and banking services to the GoI and state governments. Corporate banking products and services offered by the RB&O are similar to those offered by the Corporate Accounts Group. RB&O services customers are located in rural, semi-urban, urban and metropolitan areas, as classified by the RBI based on population.

RB&O Group is the largest business group of the Bank with 55.94% of the loans and advances, 99.48% of the total branches and 95.01% of the workforce of the Bank as of March 31, 2025. The Group includes the following business verticals:

##### **A. Personal Banking and Real Estate**

- B. Agri, SME and Financial Inclusion
- C. Transaction Banking and New Initiatives
- D. Operations – Channel Management
- E. Chief Operating Officer

Of the above verticals, Personal Banking and Real Estate, Agri, SME and Financial Inclusion, Transaction Banking and New Initiatives form the business verticals of the RB&O Group while Operations – Channel Management and Chief Operating Officer form the non-business verticals of the RB&O Group.

The above verticals manage the delivery of retail banking products, which constitutes 87.68% of the total deposits and 55.94% of the total loans and advances of the Bank through 22,937 branches in 17 administrative circles as of March 31, 2025 spread all over the country. The RB&O which accounts for the largest number of the Bank's branches, organizes its common services on the basis of these administrative circles. Circles are the largest administrative unit. Networks are the next largest administrative units; each circle administers two or three networks. Each network administers five or six administrative zonal offices, while each administrative zonal office administers approximately 100 to 300 branches.

The Bank is a leading retail bank in India and had one of the largest ATM network in India as of March 31, 2025 (*Source: RBI ATM/POS/Card Statistics*). The Bank had 22,937 branches as of March 31, 2025, of which 14,923 were in rural and semi-urban areas and 8,014 were in urban and metropolitan areas. The Bank had an ATM network of 63,791 ATMs (including 13,366 ADWM) as of March 31, 2025.

Details of the business verticals are as below:

#### A. Personal Banking

The Bank offers a broad range of products and services to its retail customers, including lending products such as home loans, auto loans, education loans, personal loans, pension loans, gold loans, digital loans, liability and investments products, such as demand deposits, term deposits and savings accounts. In addition, the Bank also provides various services in India such as doorstep banking, wealth management and premiere banking services along with services for NRI customers across the globe.

The Bank continues to increase its customer base of salaried employees by offering customized special salary packages for employees of corporates, defence, paramilitary and police force, railways, and other departments of the GoI and the state government. These offerings include a range of products with various benefits and privileges, free personal and air accident insurance (death) cover, free ATM cards, as well as attractive interest rates and processing charges on retail loans.

The Bank has made a concerted effort to diversify its client base in various ways. YONO is a flagship mobile banking and lifestyle app and one-stop-shop offering, not just financial services but also a gamut of investment, insurance, and shopping solutions. With a digital-first approach, it is part of the Bank's continuous endeavor to provide innovative digital banking solutions to all customers across the country. YONO has crossed many milestones with more than 87.70 million registrations, up to March 31, 2025, with increasing momentum in adoption and progressively higher user engagement. SIM Binding feature was implemented on the YONO App on August 22, 2021 to enhance the security features. This feature will ensure that the App will function only on the device where the SIM of the bank's registered mobile number is present. Significant momentum was observed in new customer onboarding, with approximately 64% of savings accounts being opened through the YONO platform in Fiscal 2025.

Deposit products offered to personal banking customers include savings, term deposits and hybrid accounts that combine features of savings and term deposit accounts. The aggregate domestic deposit base of personal banking unit as of March 31, 2025 was ₹ 34,628.83 billion, of which CASA constituted ₹ 14,990.77 billion or 43.29%.

The following table sets out the total amounts outstanding of home loans, auto loans, education loans, personal loans, digital loans and gold loans as of the dates indicated below:

|                     | As of March 31,<br>2025 | As of March 31,<br>2024 | As of March 31,<br>2023 |
|---------------------|-------------------------|-------------------------|-------------------------|
| (₹ billion)         |                         |                         |                         |
| Home loans          | 8,307.63                | 7,258.18                | 6,406.80                |
| Auto loans          | 1,271.00                | 1,165.43                | 975.23                  |
| Education loans     | 445.87                  | 386.96                  | 321.33                  |
| Personal loans      | 3,501.38                | 3,484.38                | 3,039.88                |
| Personal gold loans | 500.11                  | 326.76                  | 287.05                  |
| Any other           | 1,038.78                | 900.94                  | 761.23                  |
| <b>Total</b>        | <b>15,064.77</b>        | <b>13,522.65</b>        | <b>11,791.52</b>        |

## **Home Loans**

The housing market saw robust growth across top and tier-II or tier-III cities, driven by initiatives like PMAY 2.0. The Bank's strategic efforts have propelled its home loan assets under management ("AUM") to ₹ 8.31 trillion as of March 31, 2025, marking a 14.46% year-on-year growth.

The Bank's home loan portfolio has grown significantly from approximately ₹ 1 trillion as of March 31, 2011 to ₹ 8.31 trillion as of March 31, 2025. As of March 31, 2025, home loans constituted 23.07% of the Bank's total domestic advances and 35.19% of advances in RB&O. Notably, during Fiscal 2025, the Bank disbursed ₹ 2.28 trillion in home loans and related products.

As on March 31, 2025, the Bank is a market leader in housing finance, driving accessibility and affordability for homebuyers (*Source: RBI Release on Sectoral Deployment*). As of March 31, 2025, home loans constituted approximately 55.15% of the personal banking loan portfolio of the Bank by total outstanding amounts. In addition to home loans for the purpose of construction, purchase and repair of personal residences, the Bank has introduced more sophisticated products such as reverse mortgages and home equity loans. The Bank's home loans outstanding as of March 31, 2025, 2024 and 2023 were ₹ 8,307.63 billion, ₹ 7,258.18 billion and ₹ 6,406.80 billion, respectively. In particular, the Bank has recently deployed fresh resources and rolled out a quick approval process to meet the rising demand for affordable home loans.

## **Auto Loans**

Automobile loans are provided for the purchase of new and used cars, utility vehicles, as well as for two-wheeled vehicles such as scooters, motorcycles, including battery operated vehicles. The Bank offers a number of automobile loan products to meet the requirements of diverse customer segments. Some of the core products offered include the SBI Car Loan Scheme, SBI NRI – Car Loan Scheme, Certified Pre-owned Car Loan Scheme, SBI Combo Loan Scheme, SBI Loyalty Car Loan Scheme, Assured Car Loan Scheme, High Value Super Bike Loan Scheme and Two-wheeler Scheme. The Bank had approximately 20.20% market share of the retail automobile loan market as of March 31, 2025, in terms of aggregate amount outstanding, among scheduled commercial banks (*Source: RBI Release on Sectoral Deployment*), and was a leading automobile loan provider in India. The Bank's retail automobile loans outstanding as on March 31, 2023, March 31, 2024 and March 31, 2025, were ₹ 975.23 billion, ₹ 1,165.43 billion, and ₹ 1,271.00 billion, respectively. The retail automobile loan portfolio represented approximately 8.44% of the total personal loans portfolio of the Bank as of March 31, 2025.

## **Education Loans**

As of March 31, 2025, the Bank is the market leader in Education Loans having a market share of 32.21% in education loans among all scheduled commercial banks in India (*Source: RBI Release on Sectoral Deployment*). The Bank offers student loans to provide financial assistance to Indian nationals to pursue higher education within and outside India. The maximum education loan amounts under the Student Loan Schemes are typically ₹ 10 million for medical and ₹ 5 million for other than medical educational courses in India and ₹ 30 million for educational courses outside India. Other schemes include targeted products such as SBI Scholar Loans, which include loans to students securing admissions in various reputed educational institutions of India, such as the Indian Institute of Management and the Indian Institute of Technology, at concessional terms and interest rates, and the SBI Global Ed-Vantage Scheme which provides financial aid with higher loan limits (up to ₹ 30 million) to students pursuing higher education outside India. The Bank also offers the SBI Skill Loan Scheme for vocational education and training courses. The Bank also offers the PM-Vidyalaxmi Scheme which enables collateral-free, guarantee-free loans for students admitted to identified Quality Higher Education Institutions (QHEIs).

The Bank has supported 129,222 students by sanctioning loans amounting to ₹ 147.22 billion during Fiscal 2025. Of this, 40.40% of the loans were extended to female students.

## **Personal Loans**

The Bank offers a wide range of personal loan products targeting specific customer segments or funding purposes. Major personal loan products include Xpress Credit, loans against deposits, pension loan, loans against government securities and loans against capital market instruments. Gold loans and Xpress credit schemes have been modified to suit the customers' requirements while bringing in uniformity and mitigating risk. The Bank has launched several schemes for specific customer segments including, Xpress Credit for employees engaged in the IT sector and Xpress Credit for non-permanent employees, and pension loans to provident fund pensioners employed in coal mines. In order to increase its presence in the market for loans against securities, the Bank has introduced two new schemes called the Loan Against Securities Scheme and Loan Against Mutual Funds Units Scheme, with the intention of serving a niche clientele, specific to customers well versed with the market. To simplify the procedures involved in advancing loans to retail customers, the Bank intends to eventually digitize the entire loan sanctioning process.

In select branches, the Bank also offers advisory services to assist customers to shape their lifelong financial and investment goals. A tailored suite of products comprising mutual funds, fixed deposits and insurance products is offered. The Bank has also entered into wealth management service to assist high-net worth clients seeking wealth preservation and capital

appreciation. The Bank offers relationship banking facilities at select branches to extend personalized service to high value customers.

### ***Pension Loans***

The Bank continues to support the financial needs of pensioners through the Pension Loan Scheme, which is designed to help eligible individuals meet personal or medical expenses, manage emergencies, or address other short-term financial requirements through retirement. The portfolio of the Pension Loan Scheme reached ₹ 607.13 billion as of March 31, 2025. In Fiscal 2025, ₹ 318.86 billion has been sanctioned to over 0.73 million customers (as of March 31, 2025).

To improve customer experience, the Bank has recently enhanced its offerings. The maximum eligible loan amount has been increased to ₹ 2 million, allowing pensioners greater flexibility to access larger funding as needed. Additionally, the Bank has leveraged its digital capabilities by introducing the Pre-Approved Pension Loan (“**PAPNL**”), enabling eligible pensioners to avail themselves of loans seamlessly through the YONO mobile app, internet banking platform or by contacting the Bank’s contact centre.

The Bank remains a market leader in this segment, driven by its extensive branch network, wide customer base and ongoing product innovation tailored to the evolving needs of India’s retired population.

### ***Gold Loans***

The Bank offers general purpose personal loan against pledge of gold ornaments. The Bank has also made available personal gold loans for SBI’s home loan customers by way of a product named “Realty Gold Loan” for meeting the margin requirements, project cost escalation and registration charges. The Bank has made available top-up gold loan for the existing borrowers wanting to avail topup loans against their gold ornaments or jewellery already pledged with the Bank.

The portfolio witnessed a growth of 53.05%, reaching a level of ₹ 500.11 billion as on March 31, 2025 with the gold loan customer base at 1.95 million. As on March 31, 2025, the Bank had a personal gold loan market share of 23.46% (*Source: RBI Release on Sectoral Deployment*).

### ***Digital Loans***

To drive portfolio growth with higher margins while ensuring customer convenience, the Bank offers digital loan variants via YONO, INB and Contact Centre including the following:

- Real Time Personal Loan (RTPL)
- Pre-Approved Loans: PAPL
- PAPNL (Pre-Approved Pension Loans)
- e2e Digital Loan Against Mutual Fund Units, which covers over 16 asset management companies beyond SBI Mutual Fund

Such digital loan variants allow customers to self-initiate their loan applications, check their eligibility in real time, and receive approvals without any branch visit or physical documentation requirement. In Fiscal 2025 alone, 405,689 digital loans were sanctioned, amounting to ₹ 130.23 billion.

### ***Liability and investment products***

SBI provides a wide range of deposit accounts. Its savings account portfolio includes products such as the Basic Savings Bank Deposit Account (BSBDA), SBI Regular Savings Account, Digital Savings Account, Insta Savings Account, and specialized offerings like the SBI Pension Account. For business entities and professionals, SBI offers a variety of current accounts, available in multiple variants including Regular, Power Pack, Gold, and Diamond, each designed to suit specific transaction needs.

In addition to demand deposit accounts, SBI also offers various term deposit products. These include standard Fixed Deposits (FDs) with tenures ranging from 7 days to 10 years, the Tax Saving Deposit Scheme which offers deductions under Section 80C of the Income Tax Act, and the Multi Option Deposit Scheme (MODS) that provides liquidity by linking fixed deposits to a savings or current account. The bank also offers Recurring Deposits (RDs), enabling customers to save systematically over a fixed tenure, as well as Annuity Deposits and Capital Gains Account Schemes (CGAS).

The Bank introduced several customer-centric initiatives in Fiscal 2025, focused on inclusivity, convenience, and financial empowerment.



This included the Har Ghar Lakhpati Recurring Deposit Scheme, which is a curated product to encourage disciplined saving and facilitate wealth creation, enabling customers to become lakhpatis by saving through small fixed monthly instalments. The Bank also introduced the SBI Patrons Scheme, which is tailored to honour super senior citizens aged 80 years and above, offering them an additional 10 bps interest over the regular senior citizen rates. By doing so, the Bank honors the loyalty and long-standing relationship of its super senior clients, providing them with enhanced returns on their deposits and acknowledging their unique needs during retirement.

The Bank also introduced several customer-centric initiatives in Fiscal 2024 and Fiscal 2023 as well.

- SBI Green Rupee Term Deposit, a new Term Deposit Product launched on January 2024 aimed to mobilize deposits to support SBI in financing green initiatives and comply with regulatory guidelines. The product is offered for three tenors, namely 1,111, 1,777 and 2,222 days.
- SBI We Care Deposit scheme with enhanced interest rates of 100 bps over Card rate for a tenure of 5 years and above extended to senior citizens.
- Sarvottam (Non-Callable Deposit) Term Deposit scheme with enhanced interest rate, for deposits of ₹ 10.10 million and above, of 30 bps over card rate for one year and 40 bps over card rate for two years.

### ***Doorstep Banking***

Doorstep Banking Services (DSB) are provided to senior citizens of more than 70 years of age and differently abled persons at all branches. SBI has consistently led initiatives to enhance customer experience, achieving 1st rank in promoting Doorstep Banking Services across multiple campaigns.

In Fiscal 2025, the Bank has extended its doorstep banking services through agents at 9,159 branches, offering the following services for enhanced convenience:

- Cash withdrawal
- Life certificate submission via Jeevan Pramaan
- Pickup of nomination forms, standing instructions, fund transfer requests
- Cheque book requisition, cheque pickup for collection or clearing, IT/Govt/GST challans with cheques
- Delivery of account statements, term deposit advice, TDS and Form 16
- Delivery of prepaid instruments, gift cards, demand drafts and pay orders

The Bank also provides special access for vulnerable groups with doorstep services being available at all banking centres for senior citizens above 70 years and differently-abled persons. Divyangjans receive three free transactions per month and senior citizens are entitled to three free services per month through PSB Alliance branches, with plans to extend this benefit as PSB Alliance expands.

### ***NRI Business***

The Bank is a global Indian bank, with 244 international offices in 29 countries, covering all major time zones. As of March 31, 2025, the Bank had 434 dedicated NRI branches in India, catering to the needs of NRIs from across the world. Products targeted at NRIs include bank deposits, loans and remittances to investments, online equity trading, portfolio investment schemes, structured products, mutual funds and insurance products. The Bank intends to leverage its strong relationships with the Indian diaspora in its NRI banking business. The total NRI deposit base as of March 31, 2025 was U.S.\$33.10 billion with Foreign Currency Non-Resident (Bank) (“**FCNR(B)**”) Deposit market share of 26.47% as of March 31, 2025.

### ***Wealth Management and Premier Banking Services***

The Bank is the first public sector bank to offer dedicated wealth management services, catering to affluent customers through a wide range of investment products such as mutual funds, insurance, Portfolio Management Services (“**PMS**”), bonds and AIFs, aligned with individual risk profiles. Backed by 1,068 Relationship Managers (“**RM**”) and a tiered RM structure, SBI Wealth ensures personalised service through 247 wealth hubs across 107 centres. The key elements of value proposition to customers are flexibility in choosing multiple delivery channels, in-depth research and analysis and open architecture. With a revised TRV definition and strategic segmentation, SBI Wealth witnessed exponential growth in Fiscal 2025—investment AUM rose to ₹ 588.21 billion, active investment customers to 0.14 million, total customers to 0.39 million and overall AUM to ₹ 2.83 trillion.

### ***Delivery Channels***

The Bank is committed to offering advanced technology to its customers for their convenience. Besides the branch network, the Bank’s personal banking delivery channels include:

### *ATM Automated Deposit cum Withdrawal Machines Network*

The Bank had the largest ATM network in India as of March 31, 2025 (*Source: RBI ATM/POS/Card Statistics*). The Bank had an ATM network of 63,791 ATMs (including 13,366 ADWMs) as of March 31, 2025.

The Bank's ATMs transacted approximately, 2.8 billion, 2.6 billion, and 2.3 billion of cash withdrawals in Fiscal 2023, 2024 and 2025, respectively.

The Bank had a market share of 29.07% in India's ATM and ADWM deployments by Banks, as of March 31, 2025 (*Source: RBI ATM/POS/Card Statistics*). On an average, over 10 million transactions per day were processed by the Bank's ATM network in Fiscal 2025, facilitating approximately 0.6 million cash deposit transactions each day. In addition, the Bank has installed ATMs which have been enabled as Talking ATMs for visually impaired customers. The Bank's customers can conduct a wide range of transactions at the Bank's ATMs, including cash withdrawals, & deposits through ADWMs (through card as well as cardless modes), balance enquiries, retrieving mini-statements, Debit Card's PIN change, Generate / Set Debit card PIN, VISA credit card bill payments, religious or charitable donations, cheque book requests, stop cheque payments, update mobile number update mobile number, Transfer of Savings Account from one SBI Branch to another, control Debit card usage and KYC confirmation.

In addition, as of March 31, 2025, the Bank had issued approximately 240.70 million debit cards, with a market share of 24.29% as of March 31, 2025, and continues to be the one of the largest debit card issuers in India (*Source: RBI ATM/POS/Card Statistics*). Debit card spending over PoS and e-commerce was approximately ₹ 1,937.64 billion, ₹ 1,494.35 billion and ₹ 1,218.26 billion in Fiscal 2023, 2024 and 2025, respectively. The Bank has followed an active promotional campaign for debit card usage including promotional offers and cash back offers. For instance, the Bank commenced issuance of co-branded cards in collaboration with educational institutions and corporates wherein the debit card also functions as an identity card or access card. These co-branded debit cards display a photo of the card holder and also contain an additional built-in chip, which stores certain non-financial data of the card holder.

The Bank also provides facilities for cash deposit 24 hours a day and seven days a week through ADWMs. As of March 31, 2025, the Bank had set up 13,366 ADWMs.

### *Merchant Acquiring Business*

The Bank established its merchant acquiring business to enable it to realize the credit and debit card market's significant potential. To promote its point-of-sale ("PoS") terminals and credit and debit card usage, the Bank has entered into strategic relationships with businesses in the retail trade and services sector. In September 2018, the Bank formed a subsidiary known as SBI Payment Services Private Limited ("SBIPSPL") with Hitachi Payment Services Private Limited as its joint venture partner. This was done to give more thrust to its merchant acquiring business and to promote digital transactions.

The Bank had deployed 1.60 million PoS terminals as of March 31, 2025 in order to promote its PoS terminals and digital transactions. The number of terminals installed has increased from 1,146,760 as of March 31, 2023, to 1,366,851 as of March 31, 2024 and to 1,606,175 as of March 31, 2025. Income from its merchant acquiring business was ₹ 16.09 billion, ₹ 15.20 billion, and ₹ 22.36 billion in Fiscal 2023, 2024 and 2025, respectively.

Post demonetization, the Bank undertook certain initiatives in order to assist its customers and ease the immediate liquidity crisis. Initiatives taken by the Bank included:

- deploying mobile vans for cash at PoS terminals;
- installing PoS terminals at small merchant locations such as vegetable and fruit vendors, grocers, artisans; and
- deploying PoS terminals at railway counters; toll booths; post offices; hospitals; religious places; government departments.

The Bank has also promoted e-commerce and m-commerce by on-boarding merchants to enable them to receive payments from their customers or vendors. The Bank's digital payment solutions include State Bank Collect, SBI FASTag, SB-MOPS (Multi-Option Payment Solution) and SBI Pay (UPI). The Bank's SBI Pay (UPI) and SBI Buddy App payment solutions are used by oil companies and FMCG retailers, and educational institutions and government agencies engage the Bank's online solutions. In order to further strengthen the e-commerce ecosystem through strategic partnerships, the Bank's digital payment platforms and products are regularly upgraded to cover collections relating to e-tendering, e-auction, e-freight and bulk payments related requirements of the partners.

### *Credit Cards*

SBI Cards and Payment Services Limited ("SBICPSL"), formerly called SBI Cards and Payment Services Private Limited is a subsidiary of the Bank wherein SBI has a 68.60% stake in it as of March 31, 2025. SBI Business Process Management Services Private Limited was amalgamated with SBICPSL with effect from April 1, 2018, with the latter being the surviving entity. On March 16, 2020, SBICPSL was listed on BSE and National Stock Exchange of India Limited. As of March 31, 2025,

SBICPSL has a total card base of over 20.8 million and with a market share of 19.00% in terms of cards. SBICPSL posted a profit after tax of ₹ 19.164 billion for Fiscal 2025. In terms of customer spending, SBICPSL had a 15.70% market share of the total credit card spending in India as of March 2025 according to RBI.

#### *Debit Cards*

The Bank continues to lead debit card issuance in India with 240.70 million debit cards outstanding as of March 31, 2025, from 228.7 million debit cards outstanding as of March 31, 2024. For Fiscal 2025, the Bank has approximately 24.84% market share of debit card spends in India (*Source: RBI ATM/POS/Card Statistics*). For Fiscal 2025, the Bank recorded approximately 0.47 billion debit card spend transactions totaling approximately ₹ 1.22 trillion during Fiscal 2025.

The Bank has been actively promoting debit card usage through its various promotional campaigns.

#### *Prepaid Cards and Other Cards*

The Bank issues prepaid cards in both Rupee and foreign currency denominations. The Bank has a wide range of prepaid cards targeted at various customer and business segments including general purpose Rupee prepaid cards, including eZ-pay cards, gift cards, Smart Payout cards, Quick Pay Cards, Imprest Cards, and Achiever Cards, that are issued to individuals as well as corporate customers. Approximately 1.30 million prepaid cards for metro and transit projects were issued during Fiscal 2025.

The eZ-pay card is a Rupee denominated pre-paid card primarily used for social benefit schemes of the GoI and state governments, as well as salary payments by corporate entities.

The Bank has also introduced co-branded prepaid cards with institutions such as government bodies and agencies.

The State Bank Smart Payout Card is a re-loadable prepaid card with a monthly limit that is typically used by dependents of primary account holders as well as for wage, salary and incentive payments for blue collar workers of listed and unlisted corporates.

The State Bank Gift Card is a prepaid card used as gifts for friends and family members. Customers can create the State Bank Gift Cards online. Sales from State Bank Gift Cards during Fiscal 2025 were ₹ 467 million.

The State Bank Achiever Card, a re-loadable corporate incentive card with 10 year validity is typically targeted for use in disbursement of incentives and awards.

The SBI smartchange card is a radio frequency identification based contactless smart card. The card is an alternative to small notes or coins that are frequently exchanged in milk booths and other enterprises involving transactions in lower currency note denominations. In relation to this card, no KYC documents are required as it is a closed loop card, which can be issued instantly and is ready for use.

The State Bank Foreign Travel Card (“**SBFTC**”) is a chip-based Europay-Mastercard-Visa compliant pre-paid foreign currency card. The Bank issues these cards in the following foreign currencies: Japanese yen, the Canadian dollar, the Australian dollar, the Saudi riyal, the Singapore dollar, the U.S. dollar, the Euro and the British pound. In Fiscal 2025, 42,402 such foreign travel cards were issued. In an effort to market the product to corporates, the Bank has entered into tie-ups with two full-fledged money changers for providing efficient service. The SBFTC is issued on both VISA and Mastercard networks providing safety, security and convenience to overseas travelers. On the VISA network, it is available as a single currency card, while on the Mastercard network, it is available as a multicurrency card. The Bank has introduced corporate variants of SBFTC to cater to varying needs of corporate customers. Sales from SBFTC during Fiscal 2025 were ₹ 11,380.38 million.

#### *IT-Based Channels*

For a discussion of the Bank’s telephone banking, internet banking and other IT-based products and services available for personal banking customers, see “— *Information Technology Infrastructure*” on page 164.

### **B. Agri, SME and Financial Inclusion**

#### **Rural Business**

The rural business focuses on developing innovative and effective modes of delivering banking services to the customers predominantly located in rural and semi urban centers. The Rural Business unit is subdivided into two business units: the Rural Business (Outreach) and the Agri-Business.

#### ***Rural Business (Outreach) / Financial Inclusion***

The Bank continues to focus on rural banking as a key driver of future growth. It has been involved in extending banking facilities to rural areas in India even before such requirements became mandatory for banks. It is also an active participant in financial inclusion programs.

The Bank has expanded its network in rural and semi urban areas in India by setting up a large number of branches. The number of rural and semi urban branches has increased from 14,556 as of March 31, 2023, and 14,658 branches as of March 31, 2024 to 14,923 as of March 31, 2025.

Rural banking requires an innovative approach in respect of delivery of services in remote areas to a population with low financial literacy, and involves a large number of small-value transactions. In order to cater to rural customer needs, the Bank has developed alternative delivery channels for banking services and products through the business correspondent model. As of March 31, 2025, the Bank had engaged over 77,251 customer service points with business correspondents in rural areas.

Pursuant to the Pradhan Mantri Jan Dhan Yojana (“**PMJDY**”) scheme launched by the GoI on August 15, 2014, to ensure access to basic finance services to weaker sections and low income groups, the Bank has opened 151 million accounts as of March 31, 2025. This demonstrates the Bank’s IT capabilities and commitment to serve customers across the country. The number of basic savings bank deposit or small accounts has also grown from 170.37 million in March 2023 to 175.24 million in March 2024 and to 179.41 million in March 2025. The value of transactions handled through its business correspondents increased by 16.98% from 0.53 billion in Fiscal 2023 to 0.62 billion in Fiscal 2024, and to 0.66 billion in Fiscal 2025. Plans are underway to increase revenue from this vertical through both liability and asset side build-up.

The Bank has also actively participated in the self-help group (“**SHG**”) bank credit linkage program since its inception in 1992. The Bank recorded credit deployment of approximately 280.00 billion to SHGs, as of March 31, 2025. SHGs consists of 10 to 20 volunteers from underprivileged members of society, comprising small and marginal farmers, landless laborers and rural residents with low income (particularly women) engaged in agricultural, allied agricultural activities and small business in rural areas, with common interest of, among other things, promoting personal savings, asset building and community development and improving empowerment. The Bank has become the market leader in SHG loans since November 2022. The Bank’s portfolio under SHG loans has crossed ₹ 598.00 billion as on March 31, 2025.

The Bank’s continued focus on the development of innovative, technology enabled channels for delivering banking services to the rural population has resulted in the successful launch of a number of new initiatives such as Aadhar enabled Payment Systems, automated e-KYC, IMPS, Micro ATM rollout, savings bank-overdraft facility under PMJDY and DBT or DBTL payments. The Bank is also the sponsor bank for the Direct Benefit Transfer for Liquefied Petroleum Gas (“**LPG**”) subsidy (“**DBTL**”- World’s largest account based subsidy transfer program).

The Bank expects that the ‘Financial Inclusion’ customer accounts will enable it to increase its profitability in the future even though such accounts currently contribute a relatively small portion of the Bank’s revenue. Such accounts will also enable the Bank to procure low cost funding and cross sell social security schemes and DBT handling commission.

### **Agri-Business**

The Bank continues to play an important role in the development of Indian agriculture. The Bank had approximately 1,162 Agricultural Commercial Branches (“**ACB**”) as of March 31, 2025. These are specialized branches located across India that are exclusively focused on the development of the agriculture sector and related industries.

The Bank’s agricultural commercial branches offer various products such as crop financing, farm equipment financing, and agricultural value chain financing and serve customers involved in a wide range of agricultural activities such as crop production, horticulture, plantation crops, floriculture, farm mechanization, bio-technology, digging of wells, tube wells and irrigation projects, as well as activities linked to agriculture such as cold storage, trading and food processing. The Bank also finances activities such as dairy production, fisheries, livestock management and silk worm farming. The Bank’s focus has been on cultivating direct relationships with the farmers, thereby enabling it to offer products that are more suited to such customer segment. The Bank has also developed IT-driven products for Kisan Credit Card (“**KCC**”) to allow continuous interaction with customers in the farming community. Initiatives aimed at strengthening ties with the farming community include attending farmers’ meetings and events, as well as a village adoption program, to support integrated development of the village.

As in its other lending operations, the Bank uses a scoring model for credit assessment of borrowers under several of its programs. The Bank has taken various steps to contain NPA levels, and lending by individual branches under certain loan programs may be linked to NPA levels. In addition, the Bank increasingly uses recovery agents for debt collection, generally by enforcing the underlying collateral securing the loans. NPAs are also controlled through programs designed to improve loan initiation and monitoring, such as increased training for the Bank’s representatives, use of regular audio and video conferencing,

in-person visits and recruitment of specialists such as marketing and recovery officers, organization of special recovery and counseling camps in all agri-business intensive branches, wide publicity of additional incentives from the GoI on a timely basis, recognizing borrowers whose accounts are regular, hard recovery options in respect of recalcitrant borrowers, special recovery teams to tackle high value NPAs and effective follow up of decreed accounts and suits filed including those involving the Lok Adalat. The Lok Adalat is a forum organized under Chapter VI of the Legal Services Authorities Act, 1987, as amended (“**LSA Act, 1987**”) where the disputes pending in a court of law or at prelitigation stage are settled amicably. Under the LSA Act, 1987, the award made by the Lok Adalat is deemed to be the decree of a civil court and is final and binding on all parties with no right of appeal.

### **Regional Rural Banks**

Regional Rural Banks (“**RRBs**”) were established under the Regional Rural Banks Act, 1976. They are sponsored jointly by the GoI, a sponsor bank and state governments. RRBs cater to the banking needs of customers who are predominantly from rural and semi-urban areas and their operations are concentrated in a cluster of districts in each state. RRBs provide credit primarily to small farmers, artisans, small entrepreneurs and agricultural labourers, to whom the RRBs provide banking and financial services such as accepting deposits, providing remittance facilities, extending credit support and cross-selling. Sponsor banks are responsible for managing the RRBs. GoI has undertaken consolidation of RRBs in two phases to optimize their efficiency. The Bank has sponsored 14 RRBs.

As on March 31, 2025, the 14 RRBs that have been sponsored by the Bank are:

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

### **Small and Medium Enterprises (“SMEs”)**

The SME business focuses on servicing the specific credit needs of small and medium enterprises defined by the Micro, Small and Medium Enterprises Development Act, 2006, as amended. As of March 31, 2023, March 31, 2024, and March 31, 2025, the SME business had loan portfolios of ₹ 3,592.70 billion, ₹ 4,330.37 billion, and ₹ 5,060.27 billion, respectively, representing 10.99%, 11.49%, and 11.99%, respectively, of the Bank’s total loan portfolios as of such dates. As of March 31, 2025, the Bank had 868 SME intensive branches focused on SME banking requirements with more than one million borrowers. These branches provide focused attention for SMEs through specially trained personnel, including customer relationship managers for certain relatively larger SMEs.

Products and services offered specifically to SMEs include term loans, working capital loans, standby lines of credit, bank guarantees, letters of credit, export finance, various types of current accounts and transaction related products as well as internet banking facility. Bank also offers technical and managerial assistance to SMEs through its consultancy services cell. The Bank offers various schemes targeted at the SME including SME credit card to provide loans for micro-enterprises, pre-sanctioned term loan facilities for manufacturing and service sector enterprises, financial support to professionals and technically qualified entrepreneurs, funding for medical clinics and facilities, funding for educational institutions, equipment loans for construction companies, financing for fleet operators, asset backed loans to provide loans against property, as well as special schemes designed for women entrepreneurs with margin concessions.

In order to provide easy and transparent access to banking services for SME customers, the Bank has simplified the credit appraisal process and reduced credit delivery time through an SME Smart Score scheme that is based on a scoring model that simplifies the approval process for loans pertaining to smaller amounts. The Bank has also developed industry specific and cluster specific packages with separate scoring matrix. Further as a result of developments in e-commerce many companies engaged in the industry have developed their seller base and have growth plans. As part of its business process, the Bank had engaged consultants to grow the SME portfolio in a risk mitigated manner by analyzing new business opportunities and

developing partnerships. The Bank has also entered into tie-ups with online aggregators for financing certain retailers that carry out transactions through online marketplaces. The Bank has also entered into tie-ups with taxi service companies for financing the drivers partnering with these platforms. The Bank has entered into various arrangements with industry majors for dealer financing on favourable terms.

In addition to traditional lending products, the Bank seeks to extend its reach to the supply chain partners of large corporations through supply chain financing, including the financing of selected vendors and dealers of its corporate clients. This IT-based product provides an important cross-selling opportunity, linking customers of the Corporate Accounts Group, as industry majors, and suppliers or vendors of various sizes that comprise the customer base of the SME unit.

The Bank has taken several initiatives to build an SME portfolio in a risk-mitigated manner by implementing significant changes in Product suite, Processes, and Delivery to ensure Ease of Banking.

- **YONO Business** combines all the corporate banking needs by being a one-stop solution for the company. The Bank is increasingly deploying advanced technologies, such as Artificial Intelligence, Machine Learning and Business Analytics, to augment its product offerings.
- **Pre-Approved Business Loan (“PABL”)** is an analytics-based product that identifies existing Current Account customers’ eligibility for pre-approved loans based on their transaction history with a loan amount up to ₹ 2 million sanctioned through a simplified digital journey. In Fiscal 2025, the Bank disbursed 8,750 PABL loans.
- **Digital Documents Execution (“DDE”)** was formulated under the guidance of the Ministry of Finance to provide an automated, digitized process and to ensure completion of digital contract formation, e-stamping, e-sign or its variants, as per applicable laws through authorized government agencies, thereby providing for safe and accurate financial information recording. Project Digital Documents Execution for PABL accounts is extended to nine states (Uttar Pradesh, Odisha, Chhattisgarh, Tripura, Kerala, Himachal Pradesh, Meghalaya, Maharashtra and Rajasthan) as of now.
- **Business Rule Engine (“BRE”)** is a single credit risk model developed for SME Loans up to ₹ 50 million, making the loan sanction process faster, innovative, and future-ready and enabling Straight Through Processing for all types of loan applicants, viz. New to Bank, Existing to Bank, New to Credit, Existing to Credit, as well as for Renewals. The BRE will handle the end-to-end credit process (loan journey) from existing application forms to appraisal formats - the objective of reducing Turn Around Time (“TAT”) for processing of the proposals and unlocking the bandwidth of the processing officials.
- **New digital product under development**
  - o MSME SAHAJ Seller’s Invoice Financing on YONO Business by providing digital loans and financing of GST invoices
  - o Seller’s Invoice Financing Scheme, under GST Sahay, is an initiative by GoI that provides digital loans through the marketplace GST Sahay app
  - o DIGI Sugam provides GST-based Working Capital Finance, an end-to-end digital journey offered through YONO Business
- **Contactless Lending Platform (“CLP”)**

The Bank is one of the stakeholders of the Small Industries Development Bank of India (“SIDBI”) led PSB consortium, with the Bank’s path-breaking initiative, psbloanin59minutes.com, providing easy access to loans to SMEs. An instant in-principle approval is generated for eligible proposals based on GST returns, IT returns and account statement. Using the platform, loans worth ₹ 827.48 billion have been sanctioned in Fiscal 2025.
- **Supply Chain Finance**

By leveraging state-of-the-art technology and branch network, the Bank continues to be a major player in supply chain finance, strengthening its relationship with the corporate world across various sectors. As of March 31, 2025, the Bank has strengthened corporate relationships with 35,808 dealers with total sanctioned limits of over ₹ 529.36 billion (e-Dealer Finance Scheme (“e-DFS”)) and ₹ 391.97 billion (e-Vendor Finance Scheme (“e-VFS”)).
- **Green Energy initiatives**

The Bank is committed towards its Green Energy initiatives to lower carbon footprint; many products were launched during the year 2024-2025 to achieve these objectives. Surya Shakti Solar Finance has been launched for financing “Term Loans for Solar Projects” to business enterprises (for captive use) with a maximum loan amount of ₹ 100.00 million. The product has a comfortable repayment period of 10 years. To promote the GoI initiative of biofuels projects, finance to biofuel projects was launched to extend credit to all forms of biofuels mentioned in National Policy

of Biofuels 2018 viz. Ethanol, Biodiesel, Advanced biofuels and Bio-CNG. The product has a long door-to-door repayment tenor of up to 10 years. Under compressed biogas under the Sustainable Alternative Towards Affordable Transportation (Satat Scheme), finance is made available to the units that aim to set up manufacturing facilities for compressed biogas.

- **Export Credit**

With the GoI's focus on increasing exports, MSMEs have a pivotal role in achieving this objective. Export Credit for SMEBU increased by 7.50% for Fiscal 2025 despite several global and macroeconomic challenges in the international trade, reaching levels of ₹ 196.09 billion.

- **Co-lending with NBFCs**

To extend a helping hand to MSMEs that have little or no access to formal credit, the Bank has entered into a co-lending agreement with nine NBFCs. Under the Co-lending scheme, the Bank has sanctioned 1,908 accounts amounting to ₹ 8.79 billion as of March 31, 2025.

- **Trade Receivables Discounting System ("TReDS")**

The Bank is the first among all PSBs to register as a financier on the TReDS platform, set up to provide finance to MSMEs and has presence in all the three TReDS platforms in the country, i.e. RXIL, M1 exchange and Invoicemart. In Fiscal 2025, the Bank crossed the level of ₹ 223.32 billion as of March 31, 2025, registering a year-on-year growth of 118.71%.

## **Financial Inclusion**

The Bank remains committed to deepening financial inclusion through its extensive network of Business Correspondents (BCs) and Customer Service Points (CSPs), ensuring last-mile access to essential financial services —transactions, savings, credit, insurance and pensions. The BC Channel acts as a vital link, offering equal banking access regardless of socioeconomic background. It has facilitated over 151 Million PMJDY accounts with deposits of approximately ₹663.00 billion and processes approximately 3.2 million transactions daily. Functioning as 'mini branches' with ATM facilities, CSPs offer 34 products and services, including PMJDY account opening, cash or fund transfers, and doorstep banking with flexible hours.

As at March 31, 2025, the Bank holds a dominant market share (within PSBs) of 47% in PMJJBY, 40% in PMSBY, 35% in PMJDY and drives every third enrolment under APY. To ensure efficiency, CSPs undergo regular training, risk-based audits, and InfoSec reviews. The Bank continues to innovate and digitise BC or CSP operations for streamlined, secure and inclusive service delivery.

## **C. Transaction Banking and New Initiatives**

- Current Accounts - Current account deposits are low-cost and boost the Bank's net interest margins and profitability. The Bank offers a range of tailored current account products for various business segments and has shifted its marketing strategy to focus on bundling digital and transaction banking solutions while engaging high-value customers. The pre-onboarding process has been streamlined for a better customer experience, allowing the Bank's offerings to remain competitive with peers.
- Cash Management Products (**CMP**) - CMP solutions help generate additional fee income and improve current account balance retention. During Fiscal 2025, the platform processed 860.7 million transactions (519.0 million in collections and 341.7 million in payments) with an aggregate turnover of ₹ 130.90 trillion. To meet evolving corporate demands and market requirements, the Bank introduced several enhancements, including SMS/email alerts for Virtual Account Number (VAN) deposits, UPI integration in e-Payments, decentralised client onboarding (reducing TAT) and bulk income tax or Tax Deducted at Source ("**TDS**") payment facilities. Furthermore, the Bank is revamping CMP to launch CMP NextGen, a future-ready, agile and robust solution tailored to the needs of corporates, institutions and other customers.

## **Key Initiatives launched in the last few fiscal years**

- Launched new current account variants: Shubharambh Premium, Escrow, No Lien, Import Export Traders CA and Digital CA targeting niche markets
- Enabled end-to-end digital current account opening for sole proprietorships via video KYC
- Developing a paperless digital journey for opening current accounts for all business entities through Tablet ("**TAB**") banking

- Strengthened customer due diligence for non-individual accounts with mandatory address verification and geo-tagging
- Introduced Life Cycle Management for Current Account customers via Contact Centre to enhance post-onboarding experience and address issues
- Partnered with fintechs to provide tailored solutions for small businesses, SMEs and MSMEs, promoting access to advanced financial technology
- Operating 42 Transaction Banking Hubs and 58 Liability Hubs in key business centres, staffed by dedicated Relationship Managers offering integrated solutions
- The onboarding process on CMP Platform has been further strengthened by implementing enhanced due diligence at onboarding stage.

## II. Corporate Accounts Group

The Corporate Accounts Group (“**CAG**”) is a dedicated vertical of the Bank. It handles the Bank’s ‘high-value corporate relationships’ as a specialized and efficient delivery platform. The CAG vertical has five specialized Branches located in India’s top three commercial centres, namely Mumbai, New Delhi, and Chennai.

Four branches of CAG vertical at Mumbai (2), New Delhi (1) and Chennai (1) are headed by General Managers and provide a comprehensive range of financial products and services exclusively to top-rated corporates, including their foreign associates and subsidiaries. CAG Mumbai branch also has a foreign institutional investment cell mandated with supporting requirements of FDI, FPI, AIF, custodians, among others.

The business model of CAG is based on the relationship management concept, and each corporate or business group is mapped to a relationship manager who spearheads a cross-functional client service team consisting of highly skilled credit and operations functionaries. The relationship strategy is anchored on delivering integrated and comprehensive solutions to the clients, including structured products.

The fifth branch in relation to the financial institutions branch at Mumbai is headed by a deputy General Manager. The financial institutions branch, formerly the capital markets branch, provides seamless services delivery to financial institutions clients. It provides the following services:

- a) intraday facility to stockbrokers, mutual funds & insurance companies; and
- b) bank guarantees & e-FDR for keeping margin with exchanges, as well as other banking products and services.

The financial institutions branch serves as a ‘Banker to Issue’ for SEBI and handles all IPOs, debt & rights issues for the Bank as its nodal branch. It also handles QIPs for corporates and maintains Settlement Accounts of exchanges in relation to the NSE, BSE, Multi Commodity Exchange, Indian Power Exchange, Indian Gas Exchange and Indian Energy Exchange.

To align with the changing banking landscape, a specialized unit in relation to the Corporate Solutions Group (“**CSG**”) has been created within CAG vertical to cater to customers’ other than credit requirements e.g. Supply Chain Financing, Transaction Banking, etc.

The total credit portfolio of CAG as on March 31, 2025 was ₹7,790 billion compared to a total credit portfolio of ₹7,440 billion as on March 31, 2024.

## III. Project Finance and Structuring Strategic Business Unit

The Bank’s Project Finance and Structuring Strategic Business Unit (“**PF&S SBU**”) deals with the appraisal, structuring and syndication of funds for large projects, with a certain threshold on minimum project cost:

1. Infrastructure sectors, such as power, roads, ports, railways and airports.
2. Non-infrastructure projects in industries such as refinery, metals, fertilisers, cement, oil and gas, and glass, amongst others.

Threshold limits for appraisal of projects of infrastructure and non-infrastructure projects at PF&S SBU is ₹ 2.50 billion and ₹ 7.50 billion respectively.

The PF&S SBU also supports other verticals by vetting large ticket term loan proposals. To strengthen the policy and regulatory framework for financing infrastructure, it provides inputs from lenders’ perspective to various ministries of Central, State Governments and RBI. It gives inputs and suggestions on draft agreements and contracts like Model Concession Agreements and broader infrastructure finance issues faced by various stakeholders.

The Government of India has introduced various initiatives to strengthen the economy, such as the National Infrastructure



Pipeline (NIP) with targeted investments of approximately US\$1.4 trillion, the National Monetisation Pipeline (NMP), and Performance Linked Schemes (PLI). The need to ramp up infrastructure on a large and sustainable scale has resulted in new projects, particularly in sectors such as renewables, roads and city gas distribution.

There is a requirement for funds to finance various projects planned by the government and other stake holders. By leveraging the vast resources and expertise available within the SBI Group, PF&S SBU can offer the entire gamut of project financing-related services including tailored funding solutions as well as off-balance Sheet items catering to wide range of project sizes across diverse sectors.

The Bank is well-positioned to garner a bigger pie of business and maintain its leadership position in the project lending space based on effective connect with clients, industry, Government Ministries, and Authorities supported by specialised marketing endeavours.

The project finance unit provides specialist project evaluation services to the Bank's clients. It is particularly focused on core infrastructure sectors such as power, telecommunications, metals, cement, oil and gas (including transportation, pipelines, and refineries), roads, bridges, ports and urban infrastructure, and has expanded to other sectors including steel and commercial real estate.

Infrastructure projects with a cost of 2.50 billion and above are appraised and handled by the project finance unit. In addition, this unit continues to follow-up on such infrastructure projects for a period of two years following the date of commercial commencement.

With respect to non-infrastructure or commercial projects, proposals with underlying project cost of ₹ 7.50 billion and above are appraised and handled by this unit, and control of these accounts continues to be with this unit for a period of two years following the date of commercial commencement or stabilisation of project, whichever is later for both infrastructure and non-infrastructure projects.

#### **IV. Commercial Clients Group**

The Commercial Clients Group focuses on Commercial Client customers, which includes entities availing credit facilities from ₹ 0.50 billion, with an objective of strengthening credit risk management function and to widen the universe of clients to focus on groups where coverage is weak, an exercise on revamping of corporate credit structure and systems and procedures was carried out. The Commercial Clients Group had a loan portfolio of ₹4,850.92 billion, ₹5,744.53 billion and ₹6,679.06 billion as of March 31, 2023, March 31, 2024, and March 31, 2025, respectively.

The Commercial Clients Group focuses on providing comprehensive, customized banking and financial services for Commercial Clients covering major industrial and business centers in India with trained executives for credit, foreign exchange and trade finance services.

Commercial Client customers have been and continue to be the growth drivers of India's economic development. Commercial Clients Group serves this segment through over 51 dedicated branch outfits across 30 cities—specialized asset management teams (“AMTs”) ranging from two to ten teams in each of the Commercial Client branches. Relationship managers, leading the AMTs, act as a single point of contact for Commercial Client customers.

Relationship managers are assigned to Commercial Client customers. A relationship manager is the customer's central contact point in the Bank. These relationship managers are mandated to attract more banking business from Commercial Client customers by building close relationships with existing customers, as well as reaching out to potential customers and familiarizing customers with the various products and services offered by the Bank. Relationship managers focus on offering all the products among various verticals within the Bank (e.g. cash management products, interest rate and currency hedging products, custodial services and retail products) besides marketing mutual fund and insurance products of the Bank's subsidiaries.

The Commercial Clients Group is active in areas such as consortium or multiple banking for working capital advances, project finance and term loans to investment grade customers; including stand-alone term lending to well rated customers. It also offers non-fund based products such as letters of credit and bank guarantees, by offering market-related pricing to high-volume or high-income and well rated accounts. Customers of the Commercial Clients Group can also be industry majors, vendors or dealers. The Commercial Clients Group offers supply chain financing to leverage the Bank's customer base by offering vendor and dealer financing to link the large corporate, Commercial Clients and SME customer segments served by the Bank.

We leverage account planning exercises undertaken by AMTs for increasing business and wallet share, while simultaneously focusing on quality of assets, containment of NPAs and regular evaluation of the pricing granted to customers on the various products offered.

## V. International Banking Group

As of March 31, 2025, the Bank had a network of 244 international offices in 29 countries covering all major time zones. It has significant operations in most of the major financial centers, including New York, London, Frankfurt, Singapore, Hong Kong, Shanghai and Dubai. It maintains correspondent banking arrangements with approximately 223 leading banks and financial institutions worldwide in over 55 countries. The Bank also has over 4,200 relationship management application arrangements through the SWIFT network, facilitating interbank financial telecommunications. The International Banking Group had a loan portfolio of ₹ 4,924.40 billion, ₹ 5,390.86 billion and ₹ 6,190.83 billion as of March 31, 2023, March 31, 2024, and March 31, 2025, respectively. The International Banking Group's loan portfolio was equal to approximately 14.67% of the Bank's total advances as of March 31, 2025.

The Bank's international strategy is focused on India-linked opportunities, and the Bank also intends to expand its banking operations to serve local clients in its host countries. The international product portfolio of the Bank includes corporate lending, loan syndications, letters of credit and bank guarantees, trade credits, trade risk participation (funded and nonfunded), participation in global trade facilitation programs of multilateral agencies, working capital finance, project export finance, collection of documentary credits and remittances, as well as the raising of funds and other borrowings outside India.

The International Banking Group's core activity is to provide these services to Indian and foreign companies, as well as NRIs conducting business in foreign markets. The International Banking Group also seeks to service individual customers outside India through the Bank's branches and subsidiaries.

The Bank has implemented various plans to establish and upgrade branches in certain select foreign jurisdictions to operate as a local bank, providing commercial and retail products and services to attract both NRI and non-Indian customers, and intends to evaluate the establishment of new offices in various jurisdictions. It continues to focus on improving the retail business in countries including, but not limited to, the United States, United Kingdom, Canada, Singapore, South Africa, Mauritius, Nepal, Bangladesh, Indonesia, Sri Lanka, Maldives, Bahrain and Oman.

As part of the centralization of treasury activities of foreign offices, the Bank has set up certain central treasury hubs. These hubs are intended to aggregate market risks and achieve economies of scale. Besides meeting the foreign exchange and money market needs of their linked branches and undertaking proprietary trading in currencies, it is expected that the central treasury hubs will expand their activities to cover interest rate, foreign exchange, credit structures and bond trading.

Leveraging the Bank's foreign branches, the International Banking Group participates in foreign currency-denominated syndicated loans to large international corporations both in the primary and secondary markets. The Bank's foreign offices have had success in managing documentary credits, and have also been active in providing loans to Indian joint ventures or the wholly owned subsidiaries of Indian companies which have acquired companies or set up new projects outside India. The Bank's foreign offices have also achieved significant growth in the area of trade finance and have diversified the portfolio with a higher local and cross border flavor. The Bank periodically revises its investment policy for foreign offices in line with international market practice and available products, emphasizing investments in the fixed income products of sovereign, banking and corporate issuers.

The Bank receives service fees from providing management expertise to exchange companies in the Middle East, which also focus on mobilizing deposits and opening new NRI accounts for the Bank.

The Bank's emphasis on technology is an integral part of its international banking operations with a common banking application software, specific to the requirements of the Bank's international branches except CIBL (Russia), SBI California and BSBI (Indonesia). The Bank's retail internet banking facility is available at all these foreign offices, except CIBL and BSBI, and the Bank also has ATM facilities in various international jurisdictions. Customers at foreign offices can also access instant remittance facility for credits to accounts maintained in Indian offices through centralized SWIFT operations. Remittances to accounts in other banks are routed through the National Electronic Funds Transfer scheme of the RBI. Anti-Money Laundering ("AML") and/or the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC") monitoring is done at all foreign offices with advanced tools.

The International Banking Group also supervises the Bank's subsidiaries and joint ventures outside of India. For further information, see "*Foreign Subsidiaries and Joint Ventures*" on page 176.

## VI. Global Markets Unit

The Bank's Global Markets Unit ("GMU") is responsible for managing the Bank's domestic treasury operations and domestic liquidity in accordance with regulatory reserve requirements including maintenance of CRR and SLR. It makes investments in terms of board approved investment and market risk policies. The GMU invests in sovereign and corporate debt instruments,

commercial paper and other securities including equity/private equity. The GMU also manages the Bank's foreign currency exposure and fulfills clients' forex and hedging requirements and undertakes proprietary trading activities.

The GMU is also involved in overseeing the activities of Bank's Asset Management joint ventures with Macquarie Group of Australia and Oman Investment Authority in relation to the SBI Macquarie Investment Trust and Oman India Joint Investment Fund.

## VII. Government Business Services and Solutions Unit

The Bank handles government transactions as an agent of the RBI on behalf of the GoI and various state governments. The Bank acts as an agent for the receipt and payment of government transactions, including collection of government revenues such as central excise and service taxes. The Bank also handles government payment functions through its branches, including pension payments and expenditures of various ministries. In addition, the Bank remits funds deposited by departments such as post and telecommunications, railways, defence and other government departments. The Bank also plays an active role in e-governance by providing customized e-solutions to the GoI as well as state governments. The Bank earns commission income on the payment services it provides. Receipts and pension payments made by the Bank are subject to a fixed fee per transaction, irrespective of the transaction amount; fees for payments, other than pension payments, made by the Bank are calculated as a fixed percentage of the payment amount. In Fiscal 2023, 2024 and 2025, the Bank processed a significant proportion of GoI and state government payments and receipts.

Below are the details of Government Business Turnover and Commission:

| Particulars             | Fiscal 2025 | Fiscal 2024 | Fiscal 2023 |
|-------------------------|-------------|-------------|-------------|
| Turnover (Rs billion)   | 65,152.25   | 65,533.30   | 60,353.42   |
| Commission (Rs billion) | 39.14       | 39.19       | 39.53       |

Key initiatives undertaken by the Government Business Unit are listed below:

1. PM Kisan Samman Nidhi Yojana – As the accredited bank for the Ministry of Agriculture & Farmers Welfare, SBI facilitated ₹466.87 billion in disbursements as Sponsor Bank in Fiscal 2025.
2. Direct Benefit Transfer (DBT) – SBI enables implementation of key DBT schemes of the Centre and States across India. It is the sole banker for processing LPG (DBTL) subsidy
3. Ministry of New and Renewable Energy (“MNRE”) – PM Surya Ghar Muft Bijli Yojana: SBI, as Nodal Bank, has disbursed subsidy amounting to ₹55.60 billion to over 0.72 million beneficiaries through the Central Nodal Account (“CNA”) account in Fiscal 2025.
4. Ministry of Railways
  - ATVM UPI Integration – Rolled out UPI QR collection for unreserved tickets via Automatic Ticket Vending Machines (“ATVM”)
  - Freight Collection – Signed a 3-year Memorandum of Understanding (“MoU”) for e-freight collections with Indian Railways
  - Railways Super App – SBI to implement orchestrator-based payment gateway for a unified citizen-centric app integrating ticketing, freight, procurement, etc.
5. Central Board of Direct Taxes (CBDT) – Enabled new income tax payment modes such as other bank debit/credit cards alongside SBI's existing channels (Internet Banking, UPI, etc.) via SBI Payment Gateway
6. Customs Department – SBI is designated as the sole refund banker for Customs Duty refunds
7. Ministry of External Affairs (MEA) – MoU signed for fee collection under the e-Migration Project via SBIPay
8. Pension Payments
  - SBI serves 4.04 million pensioners; added 0.22 million new accounts in Fiscal 2025
  - Conducted Digital Life Certificate (“DLC”) 3.0 drive at 60 locations across 300 branches in Nov 2024 using Face Authentication Technology
9. Small Savings Schemes
  - SBI leads in servicing 9.40 million accounts Public Provident Fund (“PPF”) accounts, 3.18 million Sukanya Samriddhi Account (“SSA”) accounts, 1.63 million Senior Citizens' Savings Scheme (“SSCS”) accounts and 0.21 million Lakh Mahila Samman accounts

- New accounts added in Fiscal 2025 – 4.92 Lakh PPF accounts , 2.95 Lakh SSA accounts and 2.90 Lakh SCSS accounts
- Digital Access Initiatives such as full-fledged PPF account opening via YONO, irregular PPF account regularization via Internet Banking and access to Guardians for Minor PPF/SSA accounts online via internet banking

## Stressed Assets Resolution Group

The Stressed Assets Resolution Group (“SARG”) focuses on the timely resolution of NPAs (of ₹ 2.00 million and above) migrated from other verticals. As of March 31, 2025, the SARG operates with 61 branches throughout India exclusively dedicated to the recovery or rehabilitation of NPAs referred from other business groups within the Bank, including 15 stressed assets management branches and 46 stressed assets recovery branches. The Bank’s Credit Policy and Procedures Committee formulate its NPA policy, while the SARG handles the NPAs in accordance with such policies. The SARG exclusively focuses on the recovery or rehabilitation of NPAs migrated from other business groups within the Bank. The SARG examines the feasibility of restructuring debts by providing appropriate relief, concessions or soft repayment terms, to enable upgrade of such debts into performing assets. If the NPAs are found ineligible for restructuring, SARG initiates legal action before the Debt Recovery Tribunal or court or action under the SARFAESI Act or undertakes sale of NPAs to asset reconstruction companies or reports the defaulting borrower as a willful defaulter to credit information companies to recover the amounts due to the Bank. Some of the other strategies adopted by the Bank for resolving NPA issues are restructuring of assets, corporate debt restructuring, organizing recovery camps, and as a last resort, entering into a settlement with the borrower.

## Distribution channels

### - Branches including BCs

The Bank has extensively scaled up its presence in the domestic market with the network of branches, ATMs and ADWMs. During the reporting year Fiscal 2025, Bank has initiated key infrastructure projects aimed at expanding accessibility and improving overall customer experience. The Bank has opened 422 new brick and mortar branches, with 38 branches opened in hitherto unbanked rural areas to improve financial access in underserved regions. Additionally, 96 Retail Asset Central Processing Centres (RACPCs), Retail Asset Credit Centres (RACCs), and Centralized Processing Cells (CPCs) were opened during Fiscal 2025, to streamline credit operations and enhance customer service.

As at March 31, 2025, the Bank has 62 BC’s with 77,251 outlets across India generating transactions worth over ₹ 4,271.12 billion for Fiscal 2025.

| Geographical distribution | Branches      | ATMs and ADWMs |
|---------------------------|---------------|----------------|
| Rural areas               | 8,280         | 10,939         |
| Semi-urban areas          | 6,643         | 20,002         |
| Urban areas               | 4,108         | 17,927         |
| Metro areas               | 3,906         | 14,923         |
| <b>Total</b>              | <b>22,937</b> | <b>63,791</b>  |

### - Mobile Banking

YONO SBI, the Bank’s mobile banking and lifestyle application, continues to evolve as a comprehensive digital banking platform, catering to a wide spectrum of customers—from individuals to businessmen, proprietors to large corporations, Agriculture to global customers. It is operational since November 2024, and one stop mobile banking solution for daily banking needs such as digital banking, financial investments and tracking, bill payments, lifestyle offerings and many more. By integrating a diverse suite of services such as retail banking, cash withdrawal, payments, trade finance, forex, Application Programming Interface (“API”) banking, cash management, and supply chain finance the Bank aims to provide a seamless and one stop solution to all banking needs. With the increasing scale of YONO adoption, it became imperative to build the next version of YONO platform i.e. ‘Only YONO - The New Digital Bank’ (YONO 2.0) which will be Omni-channel in nature hosted on new Tech Stack to ensure high availability, scalability, and robustness. With state-of-the-art journey designs and supporting tech architecture, the Bank’s customers can bank with confidence and in a more seamless manner.

### - Internet Banking

The Bank’s net banking website is ‘www.onlinesbi.com’. The Bank’s net banking channel has enabled around 1.43 billion transactions during Fiscal 2025, a growth of 2.39% compared to Fiscal 2024. The Bank is the market leader for providing internet banking services in India, with a market share of approximately 31.28% in terms of number of transactions based on RBI data for March 31, 2025.

The Bank regularly undertakes up-gradation of ‘OnlineSBI’ to present a more use-friendly interface with convenient facilities including subscribing to account statements by email, registration and cancellation of nominee facilities, resetting transaction limits, top-up of “Buddy” wallet, to name a few.

As of March 31, 2025, all of the Bank's branches in India were authorized to register customers for internet banking services, and approximately 138.7 million customers in the retail segment and approximately 5.06 million customers in the corporate segment were registered for internet banking as of such date. The Bank's internet banking solution is a comprehensive product for both retail and corporate users, including public sector undertakings and government agencies. Internet banking is a cost effective channel and has been customized for visually impaired customers as well. The Bank's corporate internet banking solution enables small, medium and large corporates to establish an effective interaction with the government treasury and accounts departments.

For retail users, the Bank's internet banking portal offers a host of services, such as balance enquiry, e-account statements, interbank and intra-bank fund transfers, online bill payments, online tax payments, online creation and closure of fixed deposits, request for issuance of cheque books, demand drafts, banker's cheques, gift cards, as well as stop payment requests for cheques. It also enables viewing and downloading of dematerialized account statements, online applications for initial public offerings ("IPOs") through the applications supported by blocked amount ("ASBA") process, donations to charitable and religious organizations and relief funds, mobile and other application recharging, and payment of insurance premiums.

For corporate customers, including SMEs, the Bank offers dedicated internet banking services that include specifically tailored features including various online features such as account enquiry, fund transfer to personal and third party accounts, various tax payments, online payment of customs duty, e-collection facilities, payments to registered suppliers, bulk upload facilities for payment of bills, salary and taxes, top-up of prepaid cards, remittance to intra-bank and interbank beneficiaries, electronic dealer and vendor financing, issuance of online drafts in bulk, a direct debit facility, IPO subscription through the ASBA process, viewing and downloading of dematerialized account holdings as well as online payment of employee provident fund subscriptions.

### **Enhancements**

- Migrated to (.sbi) domain for better security
- Real-time Performance Management ("PRM") integration for transaction monitoring
- Locker agreements executed digitally
- New features added: PPF account transfer, Online Term Deposit opening, Loan Against Mutual Funds, real-time SBI Card issuance

### **Information Technology Infrastructure**

The Bank's information technology infrastructure provides connectivity across its large branch network in India and globally. The Bank has made significant investments in developing its information technology infrastructure over the years to continuously improve operational efficiencies and meet customer requirements and market expectation. The Bank continues to focus on developing technology-based products related to its core banking application, internet banking, ATMs, payment systems and trade finance, as well as other products, services and systems relating to its internal operational infrastructure and customer-interface.

In Fiscal 2025, the Bank increased its activities significantly in e-commerce, including through a large number of merchant tie-ups and private aggregators. The Bank has also received several awards in recognition of its technology infrastructure and operations, including "Best Digital Bank Award" by FE India's Best Banks Award in 2024.

### **Core Banking Solution**

All of the Bank's branches are connected to the Bank's core banking application, a fully centralized database that provides for online real-time transaction processing efficiently across branches, through a centralized processing center. The core banking application includes a disaster recovery site which can host critical banking applications in the event of a disaster at the primary site. Since its implementation, the core banking application has been refined to enhance processing capabilities, improve management information systems, increase efficiencies relating to asset-liability management, reduce transaction costs and improve overall operating efficiency.

With all domestic branches of the Bank connected through the core banking application, the Bank is able to process bulk direct debits, direct credits and other centralized solutions, without having to utilize the services of any intermediate banks in the payment chain, ensuring a high level of data privacy for corporate clients. In addition, this extensive network of branches connected to the core banking application has increased the Bank's transaction processing capacity and efficiency, enabling customers to carry out their payments and collections across all of India, while centralizing their cash management in Mumbai. The Bank's cash management product ("CMP") platform has enabled corporations to improve their liquidity management.

The Bank has implemented biometric authentication at all branches as an added measure of security. The Bank has also conducted a performance benchmarking exercise for its core banking application for establishing scalability and capacity of core banking infrastructure to meet future business requirements. In addition to the above, the Bank's international offices

also use the core banking solutions assimilated with various add-on and support applications to meet all the regulatory requirements in addition to providing customer experience.

### ***Mobile Banking Services***

The Bank is the market leader for providing mobile banking services in India, with a market share of approximately 26.84% in terms of number of transactions and holds the first position with a 17.62% share in number of active users, based on RBI data for March 31, 2025. The Bank's mobile banking services are available across customer segments, including SMEs, corporates and governments. The Bank's mobile banking services include YONO, SBI Pay (which includes SBI UPay and BHIM). These services are available as mobile applications and are also available through corporate, SME or government interfaces.

In Fiscal 2023, 2024 and 2025, mobile banking registrations were 44.5 million, 53.0 million and 53.9 million, respectively. The total number of registered mobile banking users as of March 31, 2025 was 317.2 million. Depending on the mode of access, mobile banking facilities include account balance enquiries, mini-statements, cheque book requests, trading account enquiries, fund transfer within the Bank and to other banks in India, mobile top-ups, railways and air ticket reservations, payment of bills, payment of life insurance premium as well as inter-bank mobile payment services.

### ***SBI Pay (UPI)***

Launched during Fiscal 2017, SBI Pay is an inter-operable mobile based payment solution which rides on Unified Payments Interface (“**UPI**”) system of National Payments Corporation of India (“**NPCI**”). The App is targeted at customers of the Bank and other banks, and offers the facility of sending and receiving money based on a Virtual Payment Address (“**VPA**”) which acts as a unique identifier. Customers having feature phones are encouraged to link their accounts with BHIM-USSD (an unstructured supplementary service data), which is an interactive text-based system. Increasing number of SBI Pay enabled merchants are adding value to their businesses by accepting payments from users of BHIM (either in the form of the App or USSD) and other UPI based apps. The inter-operability and payment through multiple modes (VPA, IFSC and account number, or Aadhar number of the beneficiary) is expected to popularize this app among all the Bank's customers.

Innovations in digital cash transactions have also been introduced, including UPI QR Cash Withdrawal on YONO UPI, allowing customers to withdraw cash from ATMs without needing a debit card. UPI Lite with Auto Top-Up on BHIM SBI Pay ensures effortless small-value transactions by automatically reloading the UPI Lite account. SBI has also facilitated UPI payments through Rupay Credit Cards on YONO, eliminating the need to carry physical credit cards for merchant payments. In Fiscal 2025, 164 enhancements have been carried out in YONO.

The Bank has further enhanced Tap & Pay functionality with NFC-enabled merchant QR devices, allowing users to make instant payments through their NFC-enabled smartphones. Cross-border remittances have been simplified with Nepal FOR & FIR on BHIM SBI Pay, enabling quick money transfers to and from Nepal. Additionally, FASTag recharge through UPI on YONO now allows users to recharge FASTags issued by any bank seamlessly.

### ***Paperless Banking***

The Bank has implemented a number of paperless banking solutions, including its Green Channel Counter and Green Remit Card. The Bank's Green Channel Counters enable branch customers to conduct various transactions such as making deposits, making withdrawals and fund transfers without any paperwork, thereby saving time and paper resources. A customer swipes his ATM or debit card on a point-of-sale machine located at the teller's window, selects a transaction type and amount and provides a personal identification number. The information is electronically delivered to the terminal of the bank teller for completion of the transaction. The Bank's Green Remit Card is a paperless banking solution that enables customers to transfer funds into other accounts.

The Bank has also introduced a virtual debit card called State Bank Virtual to address customer concerns relating to debit card fraud in e-commerce transactions. This enables a customer to log into his online banking account to create a virtual debit card and can be used for only one transaction. The Bank believes this service will promote e-commerce by providing additional security and reliability for online purchases.

### ***Dematerialized (Demat) and Online Trading***

The Bank through its step-down subsidiary, SBICAP Securities Limited (“**SSL**”), offers demat and online trading services across India. It continues to broaden its customer base for demat and online trading, streamline its services and provide value added services and features. As of March 31, 2025, and SSL had 5.77 million total account base with demat and trading accounts availing the Bank's demat and online trading services. In margin funding product, the book size has grown to 5.11% in Fiscal 2025 as against 4.82% in the previous year. In derivative segment, the market share has increased to 0.33% in Fiscal 2025 as compared to 0.28% in the previous year.

### ***Other IT-based Services***

The Bank provides e-freight, an online payment facility for railway freight, which is supported by a guarantee from the Bank. The Bank also provides e-auction for the GoI, state governments and public sector undertakings, a system to optimize the price of goods to be auctioned to ensure an open and transparent auction process. The Bank's IT-based initiatives also include cyber treasury, e-tendering, e-tax and i-collect. The online collection of taxes, fee or payments towards e-trading or e-auction is being facilitated through a multi-option payment system ("MOPS") interface with portals of public sector undertakings, corporations and government departments.

### ***State Bank Connect***

State Bank Connect is the Bank's principal connectivity platform and is central to its technology infrastructure. The Bank is dependent on State Bank Connect to support business-critical applications such as the Bank's core banking application, trade finance software, ATMs, payment systems, cash management, and corporate email and internet portals. State Bank Connect is a secure, wide area network, connecting all branches and ATMs of the Bank through wired data circuits, technologically equipped terminals and other wireless connectivity technologies. State Bank Connect also provides alternate links of equal bandwidth at the branches to increase uptime.

### ***Trade Finance Project***

The Bank operates a centralized trade finance solutions platform, CS Exim bills, which has been customized and extended across all of the Bank's branches conducting trade finance activities. CS Exim bills automates the full range of trade finance activities from document preparation, calculation of commissions and foreign exchange to accounting, the generation of SWIFT messages and report management. The application supports a wide range of trade finance functions, such as letters of credit, bank guarantees, bills, pre-shipment and post-shipment credit, forward contracts, shipping guarantees and standby letters of credit. A web-based application, e-Trade SBI, has a facility for customers to access relevant services over the internet. CS Exim bills has been integrated with the core banking application and treasury applications to facilitate the seamless flow of data entered across multiple systems, resulting in various benefits such as multi-currency accounting, faster turnaround for clients and data integrity across systems. As of March 31, 2025, 13,000 branches (including trade finance central processing centers and their linked branches) were enabled with the Bank's CS Exim bills application and over 39,744 corporate customers have been provided with similar functions through Customer Enterprise applications over the internet. The Bank was recognised among the World's Best Trade Finance Providers 2025 by the Global Finance Magazine, New York.

### ***Recent Technology Initiatives***

The Bank focuses on leveraging a centralized IT administration to maximize the benefits of IT across its branches and banking operations, including lower cost of technology management and reduced time and cost to set up a new branch.

Under its check truncation initiative, the Bank has reduced the time it takes for checks to clear and settle by converting physical checks into digital copies for onward transmission.

The Bank has developed a single repository of enterprise data as part of its Enterprise Data Warehouse Project. The Enterprise Data Warehouse Project integrates master and transaction data from major source systems in the Bank, including foreign offices and subsidiaries. The Enterprise Data Warehouse Project integrated the two different core banking systems that the Bank had for domestic and overseas customers which enabled a complete review of a customer's accounts with the Bank. This information is made available to customer facing departments to enable them to offer enhanced customer service to a customer.

The Bank conducts reviews and analyzes business operations integral to the Bank, including channel performance and profitability, channel migration, product and customer profitability, customer one view, stressed assets, branch productivity, remittances and KYC and AML compliance, and provides the results of such analytics with the business units for further action. The Bank has developed and made available to business units and branches various business dashboards and analytical reports, which also allow audit departments to inspect and share information at various levels for effective decision making. Data is also shared with certain credit information agencies, such as CIBIL, Highmark, Experian and Equifax. In addition, the Bank has developed an analytics policy to focus on key business areas such as customer acquisition and retention, cross-selling or up-selling of products, NPA recovery and reduction, risk management, product profitability, staff productivity and cost reduction. The Bank has also developed certain predictive models to carry out analytical studies in these areas. The Bank is also in the process of expanding its analytical capabilities in niche areas such as digital and data domains.

The Bank's recent initiatives include the launching of new products such as the SBI Green Rupee Term Deposit, which aims to mobilize deposits for financing green initiatives and the SBI We Care Deposit scheme with higher interest rates extended to senior citizens. The Bank has also opened 42 transaction banking hubs in the major centers across India, for providing comprehensive solutions for transactions, payments, collections, and other financial needs.

The Bank has also recently expanded its collection related solutions based on virtual account numbers, in order to maintain its leadership in cash management solutions in the Indian market. New services such as Real Time Demand Loan for e-Commerce Transactions; Pre-Approved Merchant Loan; Integration with Merchants in the UPI Platform for providing financial services through online and QR Applications; equated monthly installment at point of sale (“**EMI@POS**”) functionality; National Common Mobility Rupay Cards on qSparc specification to ensure seamless mobility to commuters across the country have also been introduced. New developments such as “YONO Cash@PoS” and “YONO Sale@PoS”, metro projects in effecting payments to the merchants, equated monthly installment on SBI debit cards on Pinelabs managed terminals are other initiatives which have shown further adoption of latest technology in order to enhance customer satisfaction.

The Bank’s Analytics function is completely in- house and comprises of more than 45 laterally recruited data scientists and more than 145 models live in production, which have generated significant business worth more than ₹1.24 trillion in Fiscal 2025. The Global IT Centre (GITC) acts as the Bank’s inhouse software development hub, spearheading the adoption of innovative technologies.

Further, the Bank has a robust Responsible AI and AI/ML Model Governance Framework in place. A comprehensive, annually updated vision/roadmap is also maintained to proactively leverage AI/ML in new areas, ensure collaborative monitoring and adoption of AI tools, etc.

### **Risk Management Overview**

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

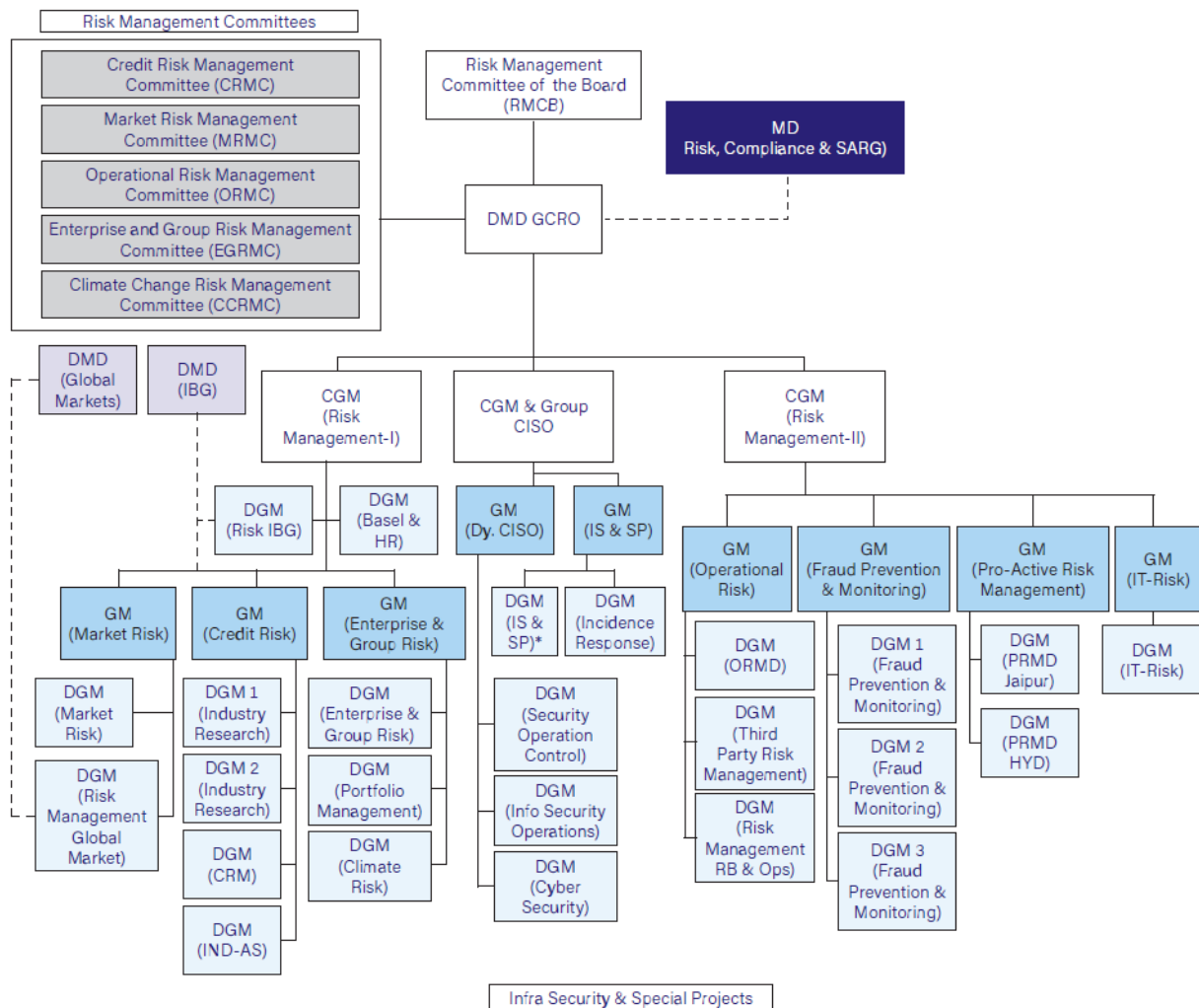
The Bank is exposed to various risks that are an inherent part of any banking business. The major risks are credit risk, market risk, liquidity risk, and operational risk, which also includes IT risk and third party risk.

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

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



## Risk Management Structure



## Credit Risk Management

SBI has established 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 37 identified industries and sectors, which constitute close to 65% of the Bank's total advances (excluding retail and agriculture) as on March 31, 2025.

Events such as government policies or changes in regulatory guidelines, impact of geo-political issues on Industries and Bank's portfolio are monitored continuously. Special studies are conducted on various emerging risk and trends. Furthermore, knowledge sharing sessions as well as industry workshops are conducted to benefit the operating staff at various levels. Quarterly dashboards covering the top 18 industries are provided to business units detailing the developments in these critical industries and sectors to keep them updated on the latest information/ developments.

The Bank uses various internal Credit Risk Assessment Models and scorecards for assessing borrower wise credit risk. They are reviewed through cycles of comprehensive validation and back testing 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.

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

The Bank has adopted an IT platform for credit appraisal processes through a Retail Loan Management System Loan/Lifecycle Management system (RLMS/ LLMS). Models developed by The Bank are hosted on these platforms, which are interfaced with CIBIL/CIC and RBI defaulters' lists.

The pricing of loan products is in sync with the risk associated with each product, in addition to the idiosyncratic risk associated with different types of borrowers. Each product and customer type has a unique Credit Risk Premium associated with it, and the same forms a part of the final pricing.

The Bank has a framework for Risk-Adjusted Return on Capital (RAROC), and the Customer level RAROC calculation has also been digitised. The RAROC framework is applicable to commercial advances having existing/ proposed exposures of ₹ 50.00 million and above.

The Bank carries out risk-return analysis of its various Corporate and MSME portfolios at periodical intervals, to assess the adequacy of return vis-à-vis the risk associated with the exposures. The Bank also carries out studies on select Retail portfolios identifying key trends in the movement of the portfolio and its Asset Quality.

The 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 macroeconomic variables.

The Bank has developed many tools and processes such as Credit Risk Assessment (CRA) model, Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) and imbibed these in the Bank's Risk Management process.

### ***Market Risk Management***

The Bank's market risk management consists of identification and measurement of risks, control measures, monitoring, and reporting systems. market risk is managed through a well-defined board approved policy. The risk in different trading desks or various securities through trading risk limits and triggers for effective and judicious management of investment funds. These risk measures include position limits, gap limits, tenor restrictions, sensitivity limits, such as PV01, Modified Duration, Convexity, Value-at-Risk (VaR) Limit, Stop Loss Trigger Level, NOOP, Forex Daylight Limit, Options Greeks, AGL/IGL, Equity price related limits are monitored on a daily basis. Further, the risk limits are reviewed periodically based on the risk appetite of the Bank.

Value at Risk (VaR) complements stress testing by providing an additional quantitative measure of potential losses in Bank's trading positions. Enterprise level VaR of The Bank is calculated and back tested daily. The Stressed VaR for market risk is also computed daily. This is supplemented by a Board approved Stress Testing Policy and Framework that simulates various market risk scenarios to measure stress losses and initiate remedial measures.

The market risk capital charge of The Bank is computed using the Standardised Duration Approach (SDA) by applying the prescribed regulatory factors.

Bank undertakes Risk adjusted performance analysis of its domestic and overseas portfolios. It also analyses the credit rating migration of non SLR bonds as a tool for decision making. Forward-looking analysis based on future outlook of Interest Rate Risk scenarios and its probable impact on Bank's trading portfolio is carried-out as a prudent risk practice.

### ***Enterprise Risk Management***

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 Framework.

As part of SBI's vision to transform the role of risk into a strategic function, a Board-approved Enterprise Risk Management (ERM) Policy is in place. Bank's Risk Appetite Framework provides guidance regarding the types and levels of risks it is willing to take in pursuit of business objectives.

The Bank has implemented framework to assess risk culture among staff by sensitizing employees on Risk Management. To create an effective risk culture, The Bank provides continuous training, conducts annual surveys, sets up specific assessment groups, encourages active risk identification and reporting, promotes risk reporting, whistleblowing and integrates risk culture into human resource processes.

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 carried out.

The Bank has a wide range of models to assess and mitigate various risks. Model risk emanating from the use of these models is mitigated through best industry practices in place at every stage of model lifecycle i.e., a) Governance, Policies and Controls, b) Development, Implementation and use, c) Validation (both Internal and External). Further, as part of model governance, for effective process efficiency and resource utilisation, the Models are classified based on Materiality into High, Medium, and Low risk tiers.

The 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.

The Bank has established an Integrated Stress Testing Framework covering the identified material risks considering simultaneous occurrence of multiple shocks under multiple risk areas as well as forward looking shock scenarios covering the impact of macro-economic variables. The Bank also provides Risk advisory for various products and processes to ensure risk return trade-off.

### ***Climate Risk Management***

SBI is dedicated to enhancing its resilience in light of emerging climate risks. The Bank has instituted a high-level executive body known as the Climate Change Risk Management Committee. This Committee provides strategic guidance and oversight to ensure the integration of climate considerations within the Bank's risk management framework.

The Bank has also developed a Climate Change Risk Management Policy aimed at mitigating risks while capitalising on growth opportunities. The Bank is engaged in the process of developing methodologies and frameworks pertaining to climate risk in accordance with regulatory expectations and the Bank's climate-related aspirations.

The Bank aims to assess the potential impact of climate change risks on its identified portfolio by employing a Climate Risk Score Card consisting of both quantitative and qualitative metrics. The scorecard will assist the Bank in engaging with identified borrowers regarding the material climate risks they face and their respective management plans for adaptation and mitigation.

The Bank has also conducted an analysis of the potential vulnerabilities associated with physical risks affecting the locations of its domestic branches, offices, and ATMs, to enhance business continuity and operational resilience.

Bank is engaged in capacity building and training in area of Climate Risk. To this end, webinars 'Train the Trainer' on Climate risk, for faculty members of Bank's training institutes and series of webinars for credit officials on sectoral decarbonisation plans are regularly conducted.

### ***Operational Risk Management (Including IT Risk and Third-Party Risk Management)***

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Key elements of SBI's Operational Risk Management, among others, include timely Incident reporting and ongoing review of Systems and Controls, measuring of residual risk and putting in place controls through Risk & Control Self-Assessment ("RCSA"), Theme based RCSA, monitoring of Key Risk Indicators ("KRIs") and aligning Risk Management activities with Business Strategy. The Bank proactively undertakes Root Cause Analysis ("RCA") of the probable vulnerabilities and based on findings, the gaps found, if any, are being plugged on an ongoing basis. The intention of the entire exercise is to strengthen the controls, mitigate risk and minimize the losses.

The Bank has a detailed comprehensive Business Continuity and Operational Resilience ("BC&OR") policy in place for ensuring continuity of operations at the Branches and Offices during disruptions. BC&OR enables The Bank to ensure minimum business disruption during natural disasters. Also, The Bank ensures availability of ATMs round the clock and smooth functioning of Net Banking, YONO and Mobile Banking.

All these components minimize Bank's Operational Risk in various products and processes besides ensuring compliance with regulatory requirements. The Bank has allocated capital for Operational Risk as per Basic Indicator Approach ("BIA").

The Bank observes Risk Awareness Day annually on 1st September to improve risk culture in the Bank. As part of sensitisation, Risk Awareness Day pledge is being administered, and an online Quiz is also being conducted for the Bank employees to spread Risk Awareness. Further, The Bank is fully aware of the need for building the risk culture and creating awareness, which is being embedded by conducting workshops, issuing monthly magazine and through the training system at all levels.

### ***Group Risk***

Group Risk Management aims to establish standardised risk management processes in group entities. Policies relating to Group Risk Management, Group Risk Appetite framework, Group ICAAP, 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 being done.

## Basel Implementation

The Bank is fully compliant with the RBI Guidelines on Basel III Capital Regulations. The Bank has put in place various mechanisms such as Internal Audit and outreach programs to ensure alignment with the regulatory instructions. Bank is adequately capitalised as per current regulatory requirements, including maintaining the required level of Capital Conservation Buffer (“CCB”).

The Bank is identified as D-SIB by the regulator and is accordingly required to keep additional Common Equity Tier 1 (“CET1”) of 0.60% of risk-weighted assets (“RWAs”) from 1st April 2019, which is now increased to 0.80% of RWAs with effect from April 1, 2025. As a part of D-SIB requirements, The Bank is placed against mandated requirement of 4% for leverage ratio.

## Indian Subsidiaries and Joint Ventures

The Bank currently provides financial services through its non-banking subsidiaries, including merchant banking, assets and fund management, factoring, stock broking, trusteeship, credit cards, and pension fund services. In the Bank’s financial statements, investment in subsidiaries and joint ventures (both in India and outside India) are valued at historical cost and a provision is made for diminutions, other than temporary. The Associates and Subsidiaries department (“A&S Department”) of the Bank coordinates with the management of its banking and non-banking subsidiaries in India.

## Non-Banking Subsidiaries and Joint Ventures

The Bank also has a network of non-banking subsidiaries and joint ventures engaged in businesses other than commercial banking. In the Bank’s financial statements, investments in subsidiaries and joint ventures in India and abroad are valued at historical cost net of provisions, if any in accordance with Indian GAAP.

The following table sets forth information relating to certain of the Bank’s non-banking subsidiaries as of March 31, 2025. For a complete list, please refer to “Financial Statements” in this Placement Document:

| As of and for the year ended March 31, 2025, as applicable |                                                                |                                                       |                     |
|------------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------|---------------------|
| Non-Banking Subsidiaries                                   | Business                                                       | Group’s Ownership Percentage                          | Net Profits/ (Loss) |
|                                                            |                                                                | (%)                                                   | (₹ million)         |
| SBI Capital Markets Limited                                | Investment Banking                                             | 100.00%                                               | 5,907.00            |
| SBICAP Securities Limited                                  | Stock Broking, DP Operation                                    | Step-down Subsidiaries of SBI Capital Markets Limited | 5,923.38            |
| SBI Venture Limited                                        | Fund/Investment Management                                     |                                                       | 417.60              |
| SBICAP Trustee Company Limited                             | Corporate Trusteeship                                          |                                                       | 364.90              |
| SBI CDMDF Trustee Private Limited                          | Trusteeship Services to Corporate Debt Market Development Fund |                                                       | 4.60                |
| State Bank Operations Support Services Pvt. Ltd.           | Support services for Agri/MSME/Micro loan segments             | 100.00%                                               | 205.70              |
| SBI Funds Management Limited                               | Assets Management Co.                                          | 61.98%                                                | 25,314.60           |
| SBI Funds Management (International) Private Ltd.          | Offshore Funds Management                                      | Wholly owned by SBI Funds Management Ltd              | 71.40               |
| SBI Funds International (IFSC) Limited                     | Offshore Funds Management in IFSC, Gift City, Gujarat          | Wholly owned by SBI Funds Management Ltd              | (31.80)             |
| SBI Life Insurance Company Limited                         | Life Insurance                                                 | 55.38%                                                | 24,133.00           |
| SBI DFHI Limited                                           | Primary Dealer                                                 | 72.17%                                                | 3,308.60            |
| SBI Cards and Payment Services Limited                     | Credit Cards                                                   | 68.60%                                                | 19,164.10           |
| SBI Pension Funds Private Limited                          | Pension Funds Manager                                          | 92.40%                                                | 717.10              |
| SBI Factors Limited                                        | Factoring/Forfaiting                                           | 100.00%                                               | 570.60              |
| SBI-SG Global Securities Services Private Limited          | Custodial and Fund Accounting                                  | 65.00%                                                | 1,374.00            |
| SBI Payment Services Private Limited                       | Support services to merchant acquiring businesses              | 74.00%                                                | 1,389.00            |
| SBI General Insurance Company Limited                      | General Insurance                                              | 68.99%                                                | 5,087.60            |
| SBI Mutual Fund Trustee Company Private Limited            | Trustee Company to schemes floated by SBI Mutual Fund          | 100.00%                                               | 12.60               |
| Nepal SBI Merchant Banking Limited                         | Investment Banking                                             | 55.00%                                                | 21.47               |

| As of and for the year ended March 31, 2025, as applicable            |                                    |                              |                       |
|-----------------------------------------------------------------------|------------------------------------|------------------------------|-----------------------|
| Joint Ventures / Associates                                           | Business                           | Group's Ownership Percentage | Net Profits/ (Loss)   |
|                                                                       |                                    | (%)                          | (₹ million)           |
| C - Edge Technologies Limited                                         | Technology Infrastructure Provider | 49.00%                       | 1,535.52              |
| SBI Macquarie Infrastructure Management Private Limited               | Fund / Investment Management       | 45.00%                       | 21.69                 |
| SBI Macquarie Infrastructure Trustee Private Limited                  | Trustee Company                    | 45.00%                       | (0.16)                |
| Macquarie SBI Infrastructure Management Pte. Ltd.                     | Fund / Investment Management       | 45.00%                       | (27.37)               |
| Macquarie SBI Infrastructure Trustee Limited                          | Trustee Company                    | 45.00%                       | (3.91)                |
| Oman India Joint Investment Fund – Management Company Private Limited | Fund / Investment Management       | 50.00%                       | 25.67                 |
| Oman India Joint Investment Fund – Trustee Company Private Limited    | Trustee Company                    | 50.00%                       | 0.21                  |
| Investec Capital Services (India) Private Limited                     | Investment Banking                 | 19.70%                       | 1,188.46 <sup>#</sup> |

<sup>#</sup>On a consolidated basis.

The following discussion sets forth information relating to certain of the Bank's non-banking subsidiaries.

### Life Insurance Business

SBI Life Insurance Company Limited (“**SBI Life**”) was incorporated on October 2000 and is registered with the Insurance Regulatory and Development Authority of India in March 2001 and undertakes the life insurance business. As of March 31, 2025, the Bank had a 55.38% shareholding in SBI Life.

As of March 31, 2023, March 31, 2024 and March 31, 2025, assets under management by SBI Life were ₹ 3,073.39 billion, ₹ 3,889.23 billion, and ₹ 4,480.39 billion, respectively. In Fiscal 2023, 2024 and 2025, SBI Life underwrote ₹ 673.20 billion, ₹ 814.30 billion and ₹ 849.80 billion of insurance premiums, respectively. SBI Life has been rated corporate credit rating of “AAA/Stable” by CRISIL (an Indian affiliate of S&P).

SBI Life's products are distributed through bank branches as the primary distribution channel, leveraging the Bank's brand, reputation and large customer base. This strategy leverages the Bank's extensive branch network in insurance product offerings through banks, or “bancassurance”. In Fiscal 2023, 2024 and 2025, approximately 60%, 52% and 54%, respectively, of SBI Life's New Business Premiums were sourced through bancassurance. As a secondary distribution channel, SBI Life works with a large number of licensed advisors. In Fiscal 2023, 2024 and 2025, these agency channels contributed approximately 19%, 18% and 21%, respectively, of SBI Life's New Business Premium.

As of March 31, 2025, SBI Life has achieved a market share of 25.3% in Individual New Business Premium (NBP), 22.08% in Individual Rated Premium and 20.8% in Total New Business Premium (NBP) among all private players (*Source: LI Council NBP Data*). The Individual New Business Premium for SBI Life stands at ₹ 263.60 billion, reflecting a growth of 11% compared to the previous year and Total New Business Premium stands at ₹ 355.77 billion for the period ended March 31, 2025. SBI Life strives to make insurance accessible to all with its extensive presence of 1,110 offices and more than 26,000 employees across India.

SBI Life demonstrates a high level of operating efficiency through low operating expense ratio which stands at 5.3% as of March 31, 2025. SBI Life is one of the biggest fund managers amongst private life insurers as it manages assets worth ₹ 4.48 trillion as of March 31, 2025, with 15.20% growth y-o-y.

The embedded value (i.e., the sum of the net asset value and present value of future profits) was ₹ 702.50 billion as at March 31, 2025. The value of new business for Fiscal 2025 was ₹ 59.54 billion and the value of new business margin was 27.8%.

SBI Life is also committed to ESG principles and developed ESG governance framework to ensure responsible business practices, drive sustainable growth, and create long-term value for all our stakeholders.

SBI Life strongly encourages a culture of giving back to the society and has made substantial contribution in child education, healthcare, disaster relief and environmental upgrade.

SBI Life's brand, business reputation and customer satisfaction are critical factors in developing new business and maintaining its leadership position.

Awards and Recognition received by SBI Life during the year includes, won “India CSR Leadership Award 2024- Large Impact”

for the Leprosy Affected Families in West Bengal in association with Udayan NGO, Most Effective 360 - Degree Marketing Campaign by Pitch BFSI Marketing Awards 2024, 'Digital Transformation of the Verification Process Towards Customer Centricity' in the 'Customer & Market Focus' category at the 10th International Best Practice Competition 2024., recognised among India's Top 500 Value Creators 2024, organised by Dun & Bradstreet, 'Smart Insurer' and the 'Amiable Insurer' at the 11th edition of ET Now Insurance Summit and Awards 2024IMC RBNQA MQH Best Practices Award for 'Onboardx' - Reengineering & Transformation of Agency Onboarding Process Using Intelligent Integration of Emerging Technologies, recognised as the "Best Life Insurance – Large Category" at the prestigious Mint BFSI Summit 2025, and the award was received by Mr. M Anand, President & CDO, SBI Life Insurance, "Best Life Insurance Company – India" at the ICC Emerging Asia Conclave & Awards 2025, "Best Risk Management Strategy – India" at the ICC Emerging Asia Conclave & Awards 2025, "Best AI-Powered Conversational Analytics Platform" at the 2nd Edition of Data Analytics and AI Show 2025.

### **General Insurance**

SBI General Insurance Company Limited ("**SBI General**"), undertakes the general insurance (non-life) business. As of March 31, 2025, the Bank owned 68.99% shareholding in SBI General. The Bank and SBI General also entered into a corporate agency agreement on September 14, 2010, for provision of agency services by the Bank to SBI General including the marketing and distribution of SBI General's products.

The Bank continues to leverage its strong bancassurance channels to offer its customers general insurance products including health, long term home, and personal accident, as well as products suited to the SME sector. In Fiscal 2025, SBI General recorded a 10.64% growth in Gross Direct Premium (GDP), amounting to ₹ 138.90 billion, surpassing the industry growth rate of 6.20%. SBI General achieved a Gross Written Premium of ₹ 141.40 billion. SBI General is at 10th position among all general insurers in India while 6th position amongst the private insurers. SBI General has increased its private market share from 6.67% in Fiscal 2024 to 6.90% in Fiscal 2025 while amongst all players, SBI General has achieved a market share of 4.52% in Fiscal 2025 against 4.33% in Fiscal 2024. In segments like motor and health, SBI General has gained market share by 83 basis points & 25 basis points in motor and health segment respectively (*Source: GI Council Segment Data*).

SBI General has a good product suite with distribution strength backed by SBI Branch network catering to 520 million customers along with strong agency network across India. SBI General has expanded its presence to over 145 branches pan-India. With a robust multi-distribution model encompassing Bancassurance, Agency, OEM, Broking, Retail Direct Channels and Digital tie-ups, SBI General is present in every nook and corner of the country. SBI General's distribution family includes over 47,000 agents, and over 600 Brokers to make insurance easily available even in the remote areas of India. The company has 24 OEM tie-ups to offer motor insurance. SBI General has also entered into strategic partnerships with NBFCs, leading Banks, Cooperative societies, web aggregators and Digital partners with an endeavor to create long-term sustainable value. SBI General has become the number one player amongst private players in rural distribution network through Common Service Centres.

To solidify its position as a trusted player in the general insurance industry, the company has adopted a sustainable and profitable growth strategy focusing on understanding the market, meeting customer needs, leveraging technology, and managing costs, while being compliant with regulations.

SBI General has always aligned itself to the industry developments and customer expectations. Additionally, SBI General has taken various measures to strengthen its systems and processes launching all in one distribution application, customer relationship management tool and lead management systems while the company is continuously upgrading its mobile app and website. SBI General has more than 17,000 network hospitals and an in-house claim processing team in health which has optimized claims cost and offered superior claims experience for our health customers.

In SBI General's 15 years of operations, it has been able to build a top of the mind recall in general insurance sector and the company has been recognized as the 'Best General Insurer (India)' at InsuranceAsia News Awards for Excellence 2024- Country Awards, 'Technology Excellence Initiative of the Year – India' at the Insurance Asia Awards 2023 Singapore, 'Best Brand Awareness Campaign (General Insurance) Award' at the MarTech Excellence Awards 2024 at Quantico, 'Best Claims Management-Insurance & Best CSR Campaign of the Year- Insurance' at the 'Best Brand 2024' by ET NOW BFSI Best Brands 2025, won SPICE award in Fiscal 2025 in Toyota Protect Programme with the highest Market share of 20% under the programme, "India's Fastest Growing Brands 2025" at the 25th Asian Business & Social Forum and SBI General was listed in the BW BusinessWorld India's Most Respected Companies.

### **Credit Cards**

SBI Cards and Payment Services Private Limited ("**SBI Cards**") is in the business of credit cards. As of March 31, 2025, the Bank had a 68.60% shareholding in SBI Cards.

SBI Cards has the second largest credit card base with a market share of 19.0% in the Indian market, in terms of number of cards in India as of March 31, 2025 (*Source: RBI ATM/POS/Card Statistics*). In terms of customer spending, SBI Card has about 15.7% market share out of the total credit card spends in India as of March 31, 2025 (*Source: RBI ATM/POS/Card Statistics*). It has diversified customer acquisition channels that enables to engage prospective customers across a wide spectrum.

Awards and Recognition received by SBI Cards include:

- “Most Trusted Brand 2024” by Reader’s Digest
- Won Bronze Award by e4m Golden Mikes’24 in the ‘Best Single Commercial – BFSI’ category for its 25th Anniversary Celebration campaign,
- Bestowed with ET BFSI Exceller Award 2024 in the category of ‘Best Initiative in Digital Customer Experience & Engagement - NBFC / HFC / MFI’,
- Earned the Silver Award by Media Abbys’24 in the ‘Innovative Use of Radio’ category for its 25th Anniversary Celebration campaign,
- Won the Silver Award at RetailEX 2025 for its Retail Activation Programme, recognised under the Most Innovative Retail Model category.

### **Asset Management Services**

SBI Funds Management Limited (“**SBI Funds**”), is an asset management company, is a subsidiary of the Bank and is a joint venture between SBI Mutual Fund and Amundi. As of March 31, 2025, the Bank had a 61.98% shareholding in SBI Funds.

SBI Funds has witnessed significant growth, achieving an absolute increase of over ₹ 1.58 trillion in Average AUM (AAUM) during Fiscal 2025. SBI Funds has been market leader since Q4 of Fiscal 2020 with AAUM (quarterly average) of ₹ 10.73 trillion and market share of 15.91% as on March 31, 2025, as against AAUM of ₹ 9.14 trillion with a market share of 16.89% during the corresponding period in Fiscal 2024, as against AAUM of ₹ 7.17 trillion with a market share of 17.71% during the corresponding period in Fiscal 2023 (*Source: AMFI Average AUM Data*).

SBI Funds has the largest investor base of 18.95 million investor Folios with about 6.26 million new investor Folios added in Fiscal 2025. The fund house has 5.87 million direct live investors and over 0.35 million institutional investors. SBI Funds has maintained its top leadership position as ETF manager in the country with a market share of 39.40% (*Source: AMFI Classified Average AUM Data*).

In addition, SBI Funds Management (International) Private Limited, a wholly owned subsidiary of SBI Funds, manages Indian assets for offshore investors.

### **Specialized Financial Services**

SBI Factors Limited (erstwhile SBI Global Factors Limited, “**SBI Factors**”) is one of the leading factorial companies in India. As of March 31, 2025, the Bank held 100.00% shareholding in SBI Factors. On February 26, 2025, the Company was renamed as SBI Factors Limited.

SBI Factors provides services suitable for MSME customers with the objective of freeing up resources locked in book debts. By virtue of its membership to Factors Chain International (“**FCI**”), SBI Factors is able to manage credit risk from export receivables under the two-factor model. SBI Factors is adequately capitalized with AAA/A1+ ratings from reputed rating agencies for its borrowing programs.

### **Custodial Services**

The Bank entered into a joint venture with Société Générale in 2008 with respect to SBI Custodial Services Private Limited, which was subsequently renamed SBI-SG Global Securities Services Private Limited (“**SBI-SG Global**”). As of March 31, 2025, the Bank held a 65.00% equity shareholding in SBI-SG Global. SBI-SG Global’s clients include international investors including global custodians, foreign institutional investors as well as domestic investors such as financial institutions, mutual funds, insurance companies, portfolio management services, private banks, corporate brokers and retail investors. SBI-SG Global offers its clients custodial and securities services including custody, fund accounting and fund administration services.

As on March 31, 2025, SBI-SG Global is managing Assets Under Custody (“**AUC**”) of ₹ 21,352.01 billion and Assets Under

Administration (“**AUA**”) of ₹ 17,604.15 billion. SBI-SG maintains high quality standards as evidenced from various certifications like ISAE 3402, ISO 27001:2013 and ISO 9001:2015

Awards and recognition received by SBI-SG Global during Fiscal 2025: Best Client Service and Relationship Management Award at the Global Custodian Leaders in “Custody Asia Awards 2024”, Singapore; Under the CSR head, SBI-SG was awarded for Best Road Safety Project of the Year 2024 - Indian Social Impact Awards 2024 and Best Company to Work for The Year 2024 - Indian Social Impact Awards 2024.

### **Investment Banking and other related services**

SBI Capital Markets Limited (“**SBICAPS**”), is an Indian domestic investment bank, which began its operations in August 1986 and is a wholly owned subsidiary and investment banking arm of the Bank.

SBICAPS offers the entire bouquet of investment banking and corporate advisory services. The service bouquet includes the full range of financial advisory services under one umbrella covering project advisory and loan syndication, structured debt placement, capital markets, mergers and acquisitions, private equity and stressed assets resolution.

SBICAPS also offers services in the areas of equity broking and research, and security agency and debenture trusteeship through its wholly-owned subsidiaries, SBICAP Securities Limited and SBICAP Trustee Company Limited, respectively.

### **Pension Funds Manager**

SBI Pension Funds Private Limited (“**SBI Pension**”) is a pension funds management company and as of March 31, 2025, the Group held 92.40% (out of which SBI held 80% and SBI Funds Management Limited held 20%) shareholding in SBI Pension.

SBI Pension is one out of two Pension Fund Managers (“**PFM**”) allowed for Corporate CG Schemes for NPS contribution of all PSU bank staff. Other than this, SBI Pension is actively managing 10 other NPS Schemes under Private Sector. The Company obtained a license to operate as POP (Point of Presence) in the year 2019 for marketing and on boarding of NPS subscribers. SBI Pension is also default PFM for Unified Pension Scheme with effect from April 01, 2025.

The total AUM of SBI Pension as of March 31, 2025, is ₹ 5,147.53 billion. SBI Pensions maintains the lead position among 11 PFMs in terms of AUM with a market share of 35.63% (*Source: NPS AUM Data*). SBI Pension has improved its branch network from 19 as of March 31, 2024 to 31 as of March 31, 2025 for marketing and onboarding of NPS subscribers under POP vertical.

SBI Pension has earned net profit of ₹ 0.72 billion for the year ended March 31, 2025 as against ₹ 0.63 billion in Fiscal 2025.

### **Primary Dealer**

SBI DFHI Limited (“**SBI DFHI**”) is primary dealer (“**PD**”) and as of March 31, 2025, SBI group held 72.17% in SBI DFHI (out of which SBI held 69.04% and SBICAPS held 3.13%).

As a PD, the company is mandated to support the book building process in primary auctions and provide depth and liquidity to secondary markets in G-Sec. Besides Government securities, it also deals in money market instruments, non-G-Sec debt instruments, amongst others. As a PD, its business activities are regulated by RBI.

SBI DFHI posted a net profit of ₹ 3.31 billion for the year ended March 31, 2025 and the total balance sheet size was ₹ 274.30 billion as on March 31, 2025, as against ₹ 232.62 billion for the corresponding period previous year.

### **Operation Support Services**

State Bank Operations Support Services Pvt Ltd. (SBOSS), a wholly owned subsidiary of SBI was incorporated in July 2022 for providing operations support services across various products and segments to RUSU (Rural and Semi-Urban) branches of SBI.

As of the date of this Placement Document, SBOSS is currently involved in three activities, namely engagement of approximately of 8,800 Feet-On-Street (FOS) in 17 circles of the Bank for providing support services at a competitive cost in Agri & MSME segments, deployment of approximately 299 ATM coordinators and collection of documents from the customers as a part of FI Legacy accounts Central Know Your Customer (“**CKYC**”) process. SBOSS is working with SBI on outsourcing few other activities like providing FOS support in loan sourcing for all MSME products through integration of FOS App with Contact Less Platform (CLP) under BRE (Business Rule Engine) enabling end to end digital acquisition.

SBOSS has developed a robust pan India “High Tech”, “High Touch” and “Low Cost” model for providing multidimensional support to operations in Agri & SME segments.



SBOSS has earned Net Profit of ₹ 205.70 million for Fiscal 2025 as against ₹ 173.10 million for the corresponding period in Fiscal 2024.

## Foreign Subsidiaries and Joint Ventures

The following table sets forth certain information relating to the Bank's subsidiaries and joint ventures outside India as of March 31, 2025:

(in ₹ million, unless specified otherwise)

| Name                                              | As of and for the fiscal year ended March 31, 2025 |             |               |
|---------------------------------------------------|----------------------------------------------------|-------------|---------------|
|                                                   | Group's shareholding (in %)                        | Net Profit* | Total assets* |
| <b>Foreign subsidiaries</b>                       |                                                    |             |               |
| SBI Funds Management (International) Private Ltd. | 61.98                                              | 71.40       | 30.8          |
| Commercial Indo Bank LLC, Moscow                  | 100.00                                             | 10,052.71   | 102,480.25    |
| SBI Canada Bank                                   | 100.00                                             | 699.19      | 83,900.55     |
| State Bank of India (California)                  | 100.00                                             | 776.97      | 109,860.16    |
| State Bank of India (UK) Limited                  | 100.00                                             | 2,042.85    | 217,036.41    |
| State Bank of India Servicios Limitada            | 100.00                                             | 4.05        | 30.85         |
| SBI (Mauritius) Ltd.                              | 96.60                                              | 2,404.41    | 126,542.32    |
| PT Bank SBI Indonesia                             | 99.00                                              | 576.96      | 38,930.44     |
| Nepal SBI Bank Limited                            | 55.00                                              | 1,359.91    | 142,479.13    |
| Nepal SBI Merchant Banking Limited                | 55.00                                              | 21.47       | 219.35        |
| SBI Funds International (IFSC) Limited            | 61.98                                              | (31.77)     | 238.10        |
| <b>Foreign Joint Ventures/ Associates</b>         |                                                    |             |               |
| Macquarie SBI Infrastructure Management Pte. Ltd. | 45.00                                              | (27.37)     | 74.92         |
| Macquarie SBI Infrastructure Trustee Ltd.         | 45.00                                              | (3.91)      | 2.02          |
| Bank of Bhutan Ltd.                               | 20.00                                              | 945.35      | 126,305.55    |

\*Net Profit and Total Assets presented on a standalone basis

## Centralization and other projects

The Bank has undertaken various initiatives to continually review its operations and processes, such as its risk management policies, in light of changing market demand and customer requirements and trends. These initiatives seek to proactively acquire new high net worth customers, build deep and lasting relationships with existing customers and provide all customers with a superior service experience across multiple channels.

Initiatives undertaken by the Bank include installation of Queue Management System (QMS) in high footfall branches. To enhance branch experience for customers, Queue Management System (QMS) is being implemented, mainly covering Metro, Urban and Semi- Urban branches, under IBA's Enhanced Access and Service Excellence (EASE - 7.0) for effective crowd management and to decongest the branches. The functionality to have omni-channels (QR Code, web browser, YONO) for token generation to reduce the sudden inflow of customers. Other features include prior appointment and preferred branch selection, visibility of expected wait time, alert and notification and multilingual interface.

New workflow launched to digitise documents obtained from customers, post account opening and migration of Account Opening Forms (AOF). Facility allows to digitise eight types of documents; branches can directly upload documents for storage and future retrieval.

New, automated process flow launched to mark undelivered welcome letters in Core Banking Solution ("CBS") eliminating the need for manual intervention by branches, ensuring compliance and reducing workflow. In the 2nd phase, for Current Account opening, the Bank is working on automation of the debit freeze marking when welcome letter is returned undelivered, as also its removal post compliance.

Video KYC-based customer identification facility has been extended for customers in the following segments: Savings Bank accounts for Corporate Salary Package (CSP), Current Account for Proprietorship Firm/s and KYC updation.

SBI DIGI Vault, a digital management solution for storage and retrieval of customer documents in digitised format; the app facilitates scanned documents upload relating to loan accounts under various document categories. AOFs, HL and SME documents integrated with DIGI Vault to provide document access to Internal Auditors for RFIA and branch functionaries on 'need-to-know' basis.

## SBI Foundation

SBI Foundation, the Corporate Social Responsibility ("CSR") arm of the State Bank Group, operates across all 28 States and 8 Union Territories, driving initiatives in health, education, rural development, disability empowerment, sustainability, livelihoods,

women and youth empowerment, and sports. In Fiscal 2025, it funded 180 projects worth ₹ 4.86 billion, disbursing ₹ 2.64 billion to create meaningful impact across communities.

Multiple initiatives have been undertaken in Fiscal 2025 under the following projects:

- SBI Gram Seva – Integrated Rural Development
- SBI Youth for India Fellowship
- SBIF Centre of Excellence for Persons with Disabilities (PwDs)
- SBIF Jivanam – Healthcare Initiatives
- SBIF Integrated Learning Mission (ILM)
- SBIF Sashakti – Women Empowerment
- SBIF CONSERW – Environmental Sustainability
- SBIF LEAP – Livelihood & Entrepreneurship
- SBIF ACE – Sports Promotion

## Recent Awards and Certifications

| Certification/ Award                                                                                                                                                                       | Awarding Organization or Authority                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| World's Best Trade Finance Providers 2025                                                                                                                                                  | Global Finance Magazine, New York                            |
| 5 <sup>th</sup> Strongest Indian Brand 2024                                                                                                                                                | Brand Finance India 100, 2024                                |
| Brand of the Year 2024 BFSI Sector                                                                                                                                                         | FINIXX Awards 2024                                           |
| Best use of social media : Gold                                                                                                                                                            |                                                              |
| Best use of Video Marketing : Gold                                                                                                                                                         |                                                              |
| Best use of Influencer Marketing : Gold                                                                                                                                                    |                                                              |
| Best use of Holiday, Seasonal Festival Marketing : Gold                                                                                                                                    |                                                              |
| “Best Bank in India” for the year 2024                                                                                                                                                     | Global Finance                                               |
| Best Bank in MSME Lending                                                                                                                                                                  | 1 <sup>st</sup> MSME Banking & NBFC Excellence Sammaan, 2025 |
| Contribution to the sector by an Enabling Institution, 2024                                                                                                                                | Global Inclusive Finance Summit, Delhi                       |
| Brand of the Year - GOLD                                                                                                                                                                   | 9 <sup>th</sup> DIGIXX Awards 2025                           |
| Best Short Video Campaign (Multiple Platforms) - GOLD                                                                                                                                      |                                                              |
| Best Use of Social Media in Brand Activation - SILVER                                                                                                                                      |                                                              |
| PR / Online Reputation Management - SILVER                                                                                                                                                 |                                                              |
| Brand Awareness Campaign - BRONZE                                                                                                                                                          |                                                              |
| Best Bank in Retail Finance Category                                                                                                                                                       | Federation of Automobile Dealers Association, India          |
| “Best category in Public Sector Banks” - excellence in financial reporting                                                                                                                 | ICAI                                                         |
| Gold medal to State Bank of India for Excellence in Change Management.                                                                                                                     | ET Human Capital Awards 2025                                 |
| Silver medal to State Bank of India for Excellence in Health and Wellness Initiatives.                                                                                                     |                                                              |
| Gold medal to Shri Binod Kumar Mishra, DMD (HR) & CDO, State Bank of India for HR Leader of the year large scale organizations (Organizations having employee strength of more than 1000). |                                                              |
| Top Performing Bank                                                                                                                                                                        | EASE 6.0 Citation Winners                                    |
| Delivering excellence in customer service with digital enablement                                                                                                                          |                                                              |
| Tech and data enabled capability building                                                                                                                                                  |                                                              |

## Competition

The Indian banking industry is highly competitive, and we face competition in all our principal areas of business. Private sector banks, foreign banks and other public sector banks are our main competitors, followed closely by finance companies, insurance companies, asset and wealth management companies, development financial institutions, mutual funds and investment banks.

We may also face increased competition from foreign banks if the Indian retail market is further liberalized or if regulations and restrictions upon branch network growth by foreign banks are simplified or reduced, foreign banks may operate in India by establishing wholly owned subsidiaries which are allowed to raise Rupee resources through issue of non-equity capital instruments. Further, under the foreign exchange regulations, an aggregate foreign investment of up to 49.00% under the automatic route, and 74.00% under the government approval route, in Indian private sector banks is allowed, subject to government approval. For public sector banks, subject to the Banking Companies (Acquisition and Transfer of Undertakings) Act, foreign direct investment of up to 20% under the government approval route is permitted.

An increase in operations of existing competitors or entry of additional banks offering a similar or a wider range of products and

services could increase competition. In addition, the moderation of growth in the Indian banking sector is expected to lead to greater competition for business opportunities. The GoI is also actively encouraging banks and other financial institutions to significantly increase their lending to the agricultural sector, which will make this segment more competitive. We seek to gain a competitive advantage by its innovative products and services, maximizing the functions of its extensive branch network, in particular in rural and semi-urban areas, investing in technology and building on relationships with our key customers.

### *Corporate Banking*

Corporate banking faces competition from foreign banks, private banks and other public sector banks in such areas as pricing, Rupee loans, foreign currency loans, foreign exchange transactions, trade finance services and cash management services. The lower risk rating of corporate clients, as well as the higher income generating capacity due to the volume and diversity of their business, attracts foreign and private banks to this sector. Foreign banks also have the advantage of their home country connections, with much larger and cost effective resource raising abilities. However, the Bank believes its extensive low-cost deposit base in India and its large branch network in India and abroad provides it with a competitive advantage in meeting customers' borrowing expectations. In addition, traditional corporate banking faces competition from the disintermediation of financial products. Customers increasingly have multiple financing sources available to them beyond those generally provided by traditional banks, which in turn is putting pressure on margins. The Bank believes that it has been able to manage this competition through strong customer relationships, as well as through efficient and focused delivery of products and services in areas such as trade finance services, including letters of credit. To further counter the downward pressure on margins, the Bank intends to focus on developing fee-based services, such as supply chain financing and wholesale banking services such as payment and collections services through its CMP platform and other associated services through its Joint Ventures.

### *Retail Banking*

In the retail banking sector, the Bank faces competition primarily from foreign and Indian commercial banks and housing finance companies. Foreign banks typically focus on limited customer segments, such as high net worth individuals and affluent locations due to limitations of their smaller branch networks relative to Indian commercial banks. Indian commercial banks generally have wider distribution networks than foreign banks, but relatively weaker technology and marketing capability. The Bank seeks to compete in this sector by offering a wide product portfolio through its extensive branch network and by leveraging its client relationships in diverse market and geographic segments. Competition in this area is also likely to increase with the proposed introduction of small finance banks and payments banks in the private sector in the banking industry.

The Bank seeks to leverage its extensive and diverse corporate relationships to gain individual customer accounts through payroll management products. Furthermore, it intends to continue to pursue a multi-channel distribution strategy using physical branches, ATMs, call centers and the internet to reach customers. The Bank also seeks to address competitive pressure by offering a wider range of mutual fund products to its customers in addition to traditional deposits.

### *International Banking*

The Bank's international strategy is focused on India-linked opportunities, and the Bank also intends to expand its banking operations to serve non-resident Indians as well as local clients in these jurisdictions. In its international operations, the Bank faces competition from other Indian banks with international operations, as well as foreign banks with products and services targeted at non-resident Indians and Indian businesses and other service providers.

### **Insurance**

The Bank's standard insurance policies cover for losses of or damage to property including premises, furniture, fixtures, computer hardware and ATMs. Precious metals and other valuables are covered against theft, burglary, house breaking robbery and natural calamities. The Bank also has a standard fire and special perils policy. The Bank's insurance policies include a banker's indemnity insurance policy. In addition, the Bank has directors' and officers' liability insurance which covers all claims arising out of discharge of duties as the Bank's directors and officers. The Bank carries insurance coverage commensurate with its level of operations and risk perception, including for business interruption.

### ***Environment, Social and Governance***

We believe that true business sustainability means creating value that goes beyond what is reflected in financial statements. While tangible assets are essential, we also place significant emphasis on intangible value, considering the broader spectrum of stakeholders, including society and the environment.

We value creation is central to our philosophy, leading us to integrate Environmental, Social, and Governance ("ESG") factors into

every aspect of our operations. Embracing sustainable development not only aligns with our vision but also offers the opportunity to conduct business in an innovative and responsible manner, ensuring long-term viability.

We have implemented an extensive suite of ESG practices as detailed below.

### Environmental

As part of the Bank's sustainability efforts, the Bank has set a target to achieve net zero greenhouse gas (GHG) emissions across Scopes 1, 2, and 3 by 2055, with interim goals to become carbon neutral in internal operations (Scopes 1 and 2) by 2030. The Bank also is targeting that at least 7.50% of its domestic gross advances are to be green by 2030, and have made efforts to ensure sustainability by disclosing and reducing its carbon footprint, including portfolio emissions and climate risks. As at March 31, 2025, 4,534 of the Bank's buildings (branches/offices/ATMs) are equipped with solar rooftop installations with aggregate capacity of over 31 MW, which contributes to the Bank being able to avoid 61,400 tCO<sub>2</sub>e emissions annually with such use of renewable energy. The Bank's private cloud, Meghdoot, integrates with public cloud services, combining security and scalability, using just 8.00% of the data centre footprint while hosting 76.00% of applications, reducing carbon emissions and supporting ESG initiatives.

### Social

The Bank hosts a wide array of social initiatives. Among others, during Fiscal 2023, the Bank contributed ₹ 240.00 million for the construction and setting up of an orthopaedic wing in support for the multi-speciality hospital being built in the IISC, Bengaluru campus. The Bank has also provided additional support with an amount of ₹ 39.00 million during Fiscal 2025 for procurement and setting up of medical instruments at ENT wing of the hospital. The Bank has also set up 153 Rural Self Employment Training Institutes ("RSETIs") which offer vocational training, entrepreneurship support, and financial literacy to youth, women, and marginalised groups. In Fiscal 2025, the Bank arranged vocational training exclusively for women, where 5,200 women across India were provided with such training.

### Governance

The Bank has implemented several governance policies to enhance transparency and accountability. These include the Whistle Blower Policy, Customer Rights, Grievance Redressal and Compensation Policy and Equal Opportunity Policy.

### Employees

As of March 31, 2025, the Bank had 236,226 employees (including employees posted at foreign offices) of whom 48.71% were officers, 39.83% were clerical staff, and 11.46% were subordinate staff. The Bank continues to focus on a collaborative culture and consultative process at various levels of administration within the Bank to ensure amicable relations with its employees.

The following table sets forth, for the periods indicated, the net profit per employee and net profit per branch:

| Particulars                                           | As at March 31, 2023/<br>Fiscal 2023 | As at March 31, 2024/<br>Fiscal 2024 | As at March 31, 2025/<br>Fiscal 2025 |
|-------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Number of employees <sup>(1)</sup>                    | 2,35,858                             | 2,32,296                             | 2,36,226                             |
| Net profit per employee (in ₹ million) <sup>(2)</sup> | 2.09                                 | 2.61                                 | 3.03                                 |
| Number of branches <sup>(3)</sup>                     | 22,405                               | 22,542                               | 22,937                               |
| Net profit per branch (in ₹ million) <sup>(4)</sup>   | 22.26                                | 26.89                                | 30.85                                |

Notes:

- (1) The number of employees includes employees in foreign offices and contractual employees.
- (2) Net profit per employee is calculated on the basis of net profit for the year or period as divided by the average of number of employees of the bank as of the beginning and last day of the relevant year.
- (3) The number of branches excludes foreign branches.
- (4) Net profit per branch is calculated on the basis of net profit for the year or period as divided by the average of number of branches of the bank as of the beginning and last day of the relevant year.

The Bank has obtained the following awards from the ET Human Capital Awards 2025:

- HR Leader of the Year –Large Scale Organizations (Gold Category). This Bank has obtained this award in three consecutive years (2023, 2024 and 2025)
- Excellence in Change Management (Gold Category)
- Excellence in Health and Wellness Initiatives (Silver Category)

The Bank also extensively uses social media, headhunters, consultants to aid in mid management and leadership hiring, videos to encourage Gen Z to participate in large numbers for each of the Bank's recruitment drives.

The Bank offers benefits such as contributory provident fund, contributory pension and lump-sum gratuity payments upon an employee's termination. While remuneration is typically negotiated between the Bank and its employees, the Bank has also introduced a 'Smart Compensation Package' for officers up to Scale –III to incentivize the younger officers, with a greater cash-in-hand component.

A career development system ("CDS"), known as 'Saksham' was launched in Fiscal 2016 with the objective of providing a scientific and objective approach towards performance measurement of employees and resource planning at all levels in the Bank. The CDS provides for transparency and is designed to provide an opportunity for providing a systematic, dynamic and progressive career plan to the individual. The CDS is intended to be an effective tool for promotion, incentives and rewards for the Bank's employees.

To maintain best-in-class HR practices, the Bank reviews the CDS policy annually. Recent enhancements include:

- Performance Improvement Plans (PIPs) to support employee growth.
- Team Performance KRAs to foster collaboration.
- KRA Grouping for better goal alignment.
- Cost-to-Income Ratio for financial efficiency.
- Green Advances Budget Achievement to support ESG and climate finance goals.
- Data Quality Index (DQI) with real-time tracking (e.g. ageing scores, TAT adherence).

Currently, 89% of employees under CDS are evaluated using objective, data-backed KRAs, applied consistently up to the Deputy Managing Director level.

In 2023, The Bank launched its first Employee Engagement Survey, Abhyuday, gathering insights across all levels to identify strengths and improvement areas. Based on the findings, several strategic initiatives were introduced, including the Employee Happiness Survey, LEAP, Abhivridhi, Employee Contribution Score Dashboard, Team Key Result Area ("KRA") Implementation, Super SBI and SBI ACE.

Launched on January 26, 2025, SBI ACE (Achievement, Celebration, and Empowerment) empowers employees to celebrate achievements and milestones, creating a culture of appreciation and shared success. During Fiscal 2025, The Bank conducted a comprehensive skill development programme, Abhivridhi – Grooming Leadership and Rebuilding State Bank Culture, for mid-management officials including Regional Managers, AGMs, and Branch Heads.

The Ethics and Business Control Department of the Bank was established in 2017 under the management of the Bank's Chief Ethics Officer, who plays a major role in maintaining business ethics in the Bank.

Human capital is the most critical component for the Bank to achieve its strategic corporate goals. The Bank's HR policy is being constantly reviewed to align with its business goals. The Bank's HR vision has been built around the principles of inclusiveness, empowerment and development. The Bank has also commenced various initiatives for the benefit of its employees to promote a healthy work-life balance.

The Bank has also rolled out the scheme called "SBI Gems" to honor employee achievements digitally. The Bank also launched the "SANJEEVANI-SBI HR" helpline, a multimodal and integrated platform for addressing employee concerns efficiently and transparently.

The majority and representative unions in the Bank, are the All India State Bank Officers' Federation ("AISBOF") and All India State Bank of India Staff Federation ("AISBISF"). During Fiscal 2025, there were no instances where strikes were carried out involving AISBOF and AISBISF. Further, a wage revision for the banking industry has been implemented with retrospective effect from November 1, 2022, pursuant to an agreement and joint note signed on March 8, 2024 by the Indian Banks' Association on behalf of member banks including SBI and the Award staff Unions and Officers Federation.

## Properties

The Bank's corporate office, located in Mumbai is owned by the Bank. The Bank's principal network consisted of 22,937 branches, extension counters and 63,791 ATMs (including 13,366 ADWMs) as of March 31, 2025, in India. Of the properties used by the Bank, some are held by the Bank on a freehold basis and some are held on a leasehold basis. The Bank's premises and other fixed assets are accounted for on a historical cost basis in accordance with Indian GAAP. As such, the Bank believes the value of its properties, many of which have been in the Bank's possession for a long period, are being carried on its balance sheet at values significantly below their current fair value. For further details, see "Risk Factors – Risks relating to our Business – The effects of the adoption of Indian Accounting Standards ("**Ind AS**") are uncertain and any failure to successfully adopt Ind AS could adversely affect our business, financial conditions and results of operations." on page 45.

## BOARD OF DIRECTORS AND SENIOR MANAGERIAL PERSONNEL

### Board of Directors

The Bank has been constituted under the SBI Act. In terms of the provisions of the SBI Act, the general superintendence and direction of the affairs and business of the Bank is entrusted to the Central Board constituted as per the provisions of the SBI Act. The Bank's Central Board draws its powers from and carries out its functions in compliance with the provisions of SBI Act and SBI General Regulations.

The Central Board is headed by the Chairman, appointed under Section 19(a) of SBI Act. Four Managing Directors are appointed as members of the Board under Section 19(b) of SBI Act. The Chairman and Managing Directors are Whole Time Directors. As on the date of this Placement Document, other than five Whole Time Directors, i.e. the Chairman and the four Managing Directors, there are seven Non-Executive Directors on the Board. The composition of the Central Board, as on the date of this Placement Document, is as follows:

- Chairman appointed by the Central Government in consultation with the RBI under Section 19(a) of the SBI Act;
- Four Managing Directors (MDs), appointed by the Central Government in consultation with the RBI under Section 19(b) of the SBI Act;
- Four Directors, elected by the Shareholders under Section 19(c) of the SBI Act;
- One Director, nominated by the Central Government under Section 19(d) of the SBI Act;
- One Director, nominated by the Central Government under Section 19(e) of the SBI Act; and
- One Director, nominated by the Central Government on the recommendations of the RBI under Section 19(f) of the SBI Act.

The following table sets forth details regarding our Board as on the date of this Placement Document:

| Name, Occupation, Term, Nationality                                                                                                                                                                                              | Clause (Section 19 of the SBI Act) under which appointed / nominated / elected | Age (years) | Designation                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------|------------------------------------------------------|
| <b>Challa Sreenivasulu Setty</b><br><br><b>Occupation:</b> Service<br><br><b>Term:</b> For a period of three years from August 28, 2024 or until further orders, whichever is earlier.<br><br><b>Nationality:</b> Indian         | Section 19(a)                                                                  | 59          | Chairman                                             |
| <b>Ashwini Kumar Tewari</b><br><br><b>Occupation:</b> Service<br><br><b>Term:</b> For a period of two years, from January 28, 2024 or until further orders, whichever is earlier.<br><br><b>Nationality:</b> Indian              | Section 19(b)                                                                  | 57          | Managing Director (Corporate Banking & Subsidiaries) |
| <b>Vinay M. Tonse</b><br><br><b>Occupation:</b> Service<br><br><b>Term:</b> With effect from November 21, 2023 and up to the date of his superannuation (i.e. November 30, 2025), or until further orders, whichever is earlier. | Section 19(b)                                                                  | 59          | Managing Director (Retail Business & Operations)     |

| Name, Occupation, Term, Nationality                                                                                                                                                                                                                                                         | Clause (Section 19 of the SBI Act) under which appointed / nominated / elected | Age (years) | Designation                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------|------------------------------------------------------------------------|
| <b>Nationality:</b> Indian                                                                                                                                                                                                                                                                  |                                                                                |             |                                                                        |
| <b>Rana Ashutosh Kumar Singh</b><br><br><b>Occupation:</b> Service<br><br><b>Term:</b> With effect from August 7, 2024 and up to the date of his attaining the age of superannuation (i.e. June 30, 2027), or until further orders, whichever is earlier.<br><br><b>Nationality:</b> Indian | Section 19(b)                                                                  | 58          | Managing Director (Risk, Compliance & SARG)                            |
| <b>Rama Mohan Rao Amara</b><br><br><b>Occupation:</b> Service<br><br><b>Term:</b> For a period of three years with effect from December 18, 2024, or until further orders, whichever is earlier.<br><br><b>Nationality:</b> Indian                                                          | Section 19(b)                                                                  | 57          | Managing Director (International Banking, Global Markets & Technology) |
| <b>Ketan S. Vikamsey</b><br><br><b>Occupation:</b> Professional<br><br><b>Term:</b> For a period of three years from June 26, 2023 to June 25, 2026.<br><br><b>Nationality:</b> Indian                                                                                                      | Section 19(c)                                                                  | 59          | Non-Executive Director                                                 |
| <b>Mrugank M. Paranjape</b><br><br><b>Occupation:</b> Professional<br><br><b>Term:</b> For a period of three years from June 26, 2023 to June 25, 2026.<br><br><b>Nationality:</b> Indian                                                                                                   | Section 19(c)                                                                  | 58          | Non-Executive Director                                                 |
| <b>Rajesh Kumar Dubey</b><br><br><b>Occupation:</b> Professional<br><br><b>Term:</b> For a period of three years from June 26, 2023 to June 25, 2026.<br><br><b>Nationality:</b> Indian                                                                                                     | Section 19(c)                                                                  | 61          | Non-Executive Director                                                 |
| <b>Dharmendra Singh Shekhawat</b><br><br><b>Occupation:</b> Professional<br><br><b>Term:</b> For a period of three years from June 26, 2023 to June 25, 2026.                                                                                                                               | Section 19(c)                                                                  | 53          | Non-Executive Director                                                 |

| Name, Occupation, Term, Nationality                                                                                                                                                                         | Clause (Section 19 of the SBI Act) under which appointed / nominated / elected | Age (years) | Designation                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------|------------------------------------|
| <b>Nationality:</b> Indian                                                                                                                                                                                  |                                                                                |             |                                    |
| <b>Swati Gupta</b><br><br><b>Occupation:</b> Professional<br><br><b>Term:</b> For a period of three years from May 8, 2023 or until further orders, whichever is earlier.<br><br><b>Nationality:</b> Indian | Section 19(d)                                                                  | 53          | Non-Executive Director             |
| <b>Nagaraju Maddirala</b><br><br><b>Occupation:</b> Service<br><br><b>Term:</b> with effect from August 30, 2024 and until further orders<br><br><b>Nationality:</b> Indian                                 | Section 19(e)                                                                  | 59          | Non-Executive-GoI Nominee Director |
| <b>Ajay Kumar</b><br><br><b>Occupation:</b> Service<br><br><b>Term:</b> with effect from July 14, 2023 and until further orders<br><br><b>Nationality:</b> Indian                                           | Section 19(f)                                                                  | 56          | Non-Executive-RBI Nominee Director |

### Brief Profiles of our Directors

**Challa Sreenivasulu Setty** has been appointed as Chairman of our Bank by the Central Government with effect from August 28, 2024.

**Ashwini Kumar Tewari** assumed charge as the Managing Director (Corporate Banking & Subsidiaries) of our Bank with effect from January 28, 2021. Before becoming Managing Director, he served as managing director and chief executive officer of SBI Cards and Payment Services Limited.

**Vinay M. Tonse** assumed charge as the Managing Director (Retail Business & Operations) of our Bank with effect from November 21, 2023.

**Rana Ashutosh Kumar Singh** assumed charge as the Managing Director (Risk, Compliance & SARG) of our Bank with effect from August 7, 2024.

**Rama Mohan Rao Amara** assumed charge as the Managing Director (International Banking, Global Markets & Technology) of our Bank with effect from December 18, 2024. Earlier, he worked as managing director and chief executive officer of SBI Cards and Payment Services Limited.

**Ketan S. Vikamsey** is a Non-Executive Director re-elected by the Shareholders under Section 19 (c) of the SBI Act, for a period of three years from June 26, 2023 to June 25, 2026.

**Mrugank M. Paranjape** is a Non-Executive Director re-elected by the Shareholders under Section 19 (c) of the SBI Act, for a period of three years from June 26, 2023 to June 25, 2026.

**Rajesh Kumar Dubey** is a Non-Executive Director elected by the Shareholders under Section 19 (c) of the SBI Act, for a period of three years from June 26, 2023 to June 25, 2026.



**Dharmendra Singh Shekhawat** is a Non-Executive Director elected by the Shareholders under Section 19 (c) of the SBI Act, for a period of three years from June 26, 2023 to June 25, 2026.

**Swati Gupta** is a Non-Executive Director nominated by the Central Government under Section 19(d) of the SBI Act with effect from May 8, 2023 for a period of three years.

**Nagaraju Maddirala** is a Non - Executive - GOI Nominee Director, nominated by the Central Government, under Section 19(e) of SBI Act, with effect from August 30, 2024, till further order. He is a 1993 batch IAS officer and currently posted as Secretary to the Government of India, Dept. of Financial Services, Ministry of Finance.

**Ajay Kumar** is a Non - Executive - RBI Nominee Director, nominated by the Central Government, under Section 19(f) of SBI Act, with effect from July 14, 2023 till further order. He is presently holding the post of Executive Director (ED), Reserve Bank of India

### Central Management Committee (“CENMAC”)

CENMAC is a committee consisting of the Chairman, the four Managing Directors and all Deputy Managing Directors of the Bank. It is headed by the Chairman and is the highest non-Board level policy making committee of the Bank. It also serves as a think tank and facilitates the day-to-day affairs of the Bank. Our Bank has in place a system to delegate powers to the various tiers of management and believes that the Central Board has established a positive functioning relationship with senior management of our Bank. The following table sets forth details of the members of Central Management Committee:

| Sr. No. | Name                      | Designation                                                            |
|---------|---------------------------|------------------------------------------------------------------------|
| 1.      | Challa Sreenivasulu Setty | Chairman                                                               |
| 2.      | Ashwini Kumar Tewari      | Managing Director (Corporate Banking & Subsidiaries)                   |
| 3.      | Vinay M. Tonse            | Managing Director (Retail Business & Operations)                       |
| 4.      | Rana Ashutosh Kumar Singh | Managing Director (Risk, Compliance & SARG)                            |
| 5.      | Rama Mohan Rao Amara      | Managing Director (International Banking, Global Markets & Technology) |
| 6.      | Saloni Narayan            | Deputy Managing Director (Finance)                                     |
| 7.      | Nitin Chugh               | Deputy Managing Director & Head (Digital Banking & Transformation)     |
| 8.      | Poludasu Kishore Kumar    | Deputy Managing Director (HR) & Corporate Development Officer          |
| 9.      | Ruma Dey                  | Deputy Managing Director & Group Compliance Officer                    |
| 10.     | Shamsher Singh            | Deputy Managing Director (Transaction Banking & New Initiatives)       |
| 11.     | Surender Rana             | Deputy Managing Director (Retail - Agri & SME)                         |
| 12.     | Baldev Prakash            | Deputy Managing Director & Group Chief Risk Officer                    |
| 13.     | Jayati Bansal             | Deputy Managing Director (International Banking Group)                 |
| 14.     | Binod Kumar Mishra        | Deputy Managing Director & Chief Operating Officer                     |
| 15.     | Shiva Om Dikshit          | Deputy Managing Director (OPS - Channel Management)                    |
| 16.     | Kshitij Mohan             | Deputy Managing Director (SARG)                                        |
| 17.     | Satish Rao Nagesh         | Deputy Managing Director (Information Technology) GITC                 |
| 18.     | Ashok Kumar Sharma        | Deputy Managing Director & CCO and Chief Sustainability Officer        |
| 19.     | G. S. Rana                | Deputy Managing Director (Retail- PB & RE)                             |
| 20.     | Ravi Ranjan               | Deputy Managing Director (Global Markets)                              |
| 21.     | Prem Anup Sinha           | Deputy Managing Director (CAG)                                         |
| 22.     | Satyendra Kumar Singh     | Deputy Managing Director (CCG-II)                                      |
| 23.     | Rajesh Kumar              | Deputy Managing Director (Designate) (Retail – Agri & SME)             |
| 24.     | Rajeev Kumar              | Deputy Managing Director (Internal Audit)                              |
| 25.     | Ramesh Srinivas Rao       | Deputy Managing Director (CCG-I)                                       |

### Relationship between our Directors

None of our Directors are related to each other as on the date of this Placement Document.

### Remuneration details of our directors

(i) Remuneration details of our Chairman and Managing Directors

The details of the remuneration paid by our Bank to our present Chairman and Managing Directors including all allowances, provident fund contribution for the Fiscals 2025, 2024 and 2023, respectively are set forth below:

(in ₹)

| Name of Chairman and Managing Directors | Remuneration                    |                                 |                                 |
|-----------------------------------------|---------------------------------|---------------------------------|---------------------------------|
|                                         | For Financial Year<br>2024-2025 | For Financial Year<br>2023-2024 | For Financial Year<br>2022-2023 |
| Challa Sreenivasulu Setty               | 6,387,500                       | 3,931,488                       | 3,709,420                       |
| Ashwini Kumar Tewari                    | 6,340,956                       | 3,931,488                       | 3,578,989                       |
| Vinay M. Tonse                          | 4,912,072                       | 1,378,581                       | NA^                             |
| Rana Ashutosh Kumar Singh               | 2,680,203                       | NA@                             | NA                              |
| Rama Mohan Rao Amara                    | 1,185,048                       | NA@                             | NA@                             |

^Elevated as Managing Director in the Fiscal 2024

@Elevated as Managing Director in the Fiscal 2025

(ii) Remuneration details of our Non-Executive Directors

The Non-Executive Directors who are the officers of the Central Government or of the RBI are not paid sitting fees for attending the Board/ Board level committee meetings. Other Non-Executive Directors of the Bank are paid sitting fees to attend the meetings of the Board/ Board level committees. No remuneration, other than the sitting fees, is paid to Non-Executive Directors other than the officers of the Central Government or of the RBI. The amount of sitting Fees is in accordance with the guidelines received from Department of Financial Services, Ministry of Finance, Government of India and is approved by the Central Board of the Bank. With effect from October 25, 2019, sitting fees of ₹70,000 is paid for attending the meetings of the Central Board and ₹30,000 for attending the meetings of Board level committees.

Accordingly, the details of the sitting fees paid by our Bank to our present Non-Executive Directors for the Fiscals 2025, 2024 and 2023, respectively are set forth below:

(in ₹)

| Name of Director           | Sitting fees paid                |                                  |                                  |
|----------------------------|----------------------------------|----------------------------------|----------------------------------|
|                            | For Financial Year<br>2024- 2025 | For Financial Year<br>2023- 2024 | For Financial Year<br>2022- 2023 |
| Ketan S. Vikamsey          | 2,500,000                        | 2,260,000                        | 2,340,000                        |
| Mrugank M. Paranjape       | 2,500,000                        | 2,500,000                        | 2,500,000                        |
| Rajesh Kumar Dubey         | 2,500,000                        | 2,210,000                        | NA                               |
| Dharmendra Singh Shekhawat | 1,810,000                        | 1,340,000                        | NA                               |
| Swati Gupta                | 1,810,000                        | 1,610,000                        | NA                               |

**Shareholding details of our Directors in our Bank**

Details of Shareholding of Directors on the Bank's Central Board as on the date of this Placement Document.

| Sr. No | Name of Director           | No. of Equity Shares | Percentage shareholding (%) |
|--------|----------------------------|----------------------|-----------------------------|
| 1.     | Challa Sreenivasulu Setty  | 500                  | Negligible                  |
| 2.     | Ashwini Kumar Tewari       | 310                  | Negligible                  |
| 3.     | Vinay M. Tonse             | 2,500                | Negligible                  |
| 4.     | Rana Ashutosh Kumar Singh  | Nil                  | Not applicable              |
| 5.     | Rama Mohan Rao Amara       | Nil                  | Not applicable              |
| 6.     | Ketan S. Vikamsey          | 5,000                | Negligible                  |
| 7.     | Mrugank M. Paranjape       | 10,000               | Negligible                  |
| 8.     | Rajesh Kumar Dubey         | 5,000                | Negligible                  |
| 9.     | Dharmendra Singh Shekhawat | 5,100                | Negligible                  |
| 10.    | Swati Gupta                | Nil                  | Not applicable              |
| 11.    | Nagaraju Maddirala         | Nil                  | Not applicable              |
| 12.    | Ajay Kumar                 | Nil                  | Not applicable              |

**Interest of our Directors**

Our Whole-Time Directors may be deemed to be interested to the extent of salary and remuneration paid to them for services rendered as Directors of our Bank, perquisites and reimbursement of expenses, if any, payable to them, as allowed in the ordinary course of business in terms of Central Government guidelines and RBI guidelines, as may be applicable.

Further, our Non-Executive Directors other than the government's nominee director and RBI's nominee director, are entitled to receive sitting fees for attending each meeting of our Board and its Committees and are also entitled to reimbursement of expenses to attend such meeting as may be applicable.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Bank and dividend payable to them, if any. For details of Equity Shares held by our Directors in our Bank, see “*Shareholding details of our Directors in our Bank*” above.

Except as stated in related party transactions in “*Financial Statements*” on page 263, our Directors do not have any other interest in the business of our Bank.

### **Other Confirmations**

Neither our Bank nor any of our Directors have been identified as wilful defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or Fraudulent Borrowers issued by RBI.

Neither our Bank nor any of our Directors have been debarred from accessing capital markets under any order or direction made by SEBI, the Stock Exchanges or any other regulatory or supervisory authority.

### **Corporate Governance**

Under the terms of provision of the SBI Act, SBI General Regulations, the SEBI Listing Regulations and relevant regulatory guidelines, there are eleven committees of Directors: (1) Executive Committee of the Central Board, (2) Audit Committee of the Board, (3) Risk Management Committee of the Board, (4) IT Strategy Committee of the Board, (5) Special Committee of the Board for Monitoring and Follow-up of Cases of Frauds, (6) Stakeholders Relationship Committee (SRC) cum Customer Service Committee of the Board (CSCB), (7) Nomination and Remuneration Committee of the Board, (8) Board Committee to Monitor Recovery, (9) Corporate Social Responsibility Committee of the Board, and (10) Review Committee for Identification of Wilful Defaulters. Except as disclosed in “*Risk Factors - As the GoI is the majority shareholder of our issued share capital, its decisions, including on matters of public policy, may impact our strategy and operations*” on page 61, the Bank is in compliance with SEBI Listing Regulations, to the extent applicable. The constitution of the various committees and their main functions are given below:

#### ***Executive Committee of the Central Board (“ECCB”)***

The ECCB is constituted in terms of Section 30 of the SBI Act read with SBI General Regulations. Regulations 46 and 47 of the SBI General Regulations provide that, subject to the general or special directions of the Central Board, ECCB may deal with any matter within the competence of the Central Board. The ECCB consists of the Chairman, the Managing Directors, the Director nominated under Section 19(f) of the SBI Act, and all or any of the other Directors who are normally residents, or may, for the time being, be present at any place within India where the meeting is held. Further, in terms of RBI guidelines dated April 26, 2021 on ‘*Corporate Governance in Banks – Appointment of Directors and Constitution of Committees of the Board*’, the chair of the ACB is not a part of the ECCB. The ECCB meetings are held once every week.

The members of the ECCB at present are:

- Challa Sreenivasulu Setty, Chairman - Chairman of the Committee;
- Ashwini Kumar Tewari, Managing Director (Corporate Banking & Subsidiaries)– Member;
- Vinay M. Tonse, Managing Director (Retail Business & Operations) – Member;
- Rana Ashutosh Kumar Singh, Managing Director (Risk, Compliance & SARG)– Member; and
- Rama Mohan Rao Amara, Managing Director (International Banking, Global Markets & Technology)– Member.

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

#### ***Audit Committee of the Board (“Audit Committee”)***

The Audit Committee operates under the RBI guidelines and complies with the provisions of SEBI Listing Regulations to the extent that such provisions do not violate the directives and guidelines issued by the RBI. It has four Non-Executive Directors as members as on the date of this Placement Document. The Audit Committee has a regular chairperson and is chaired by a Non-Executive Director. The Audit Committee was constituted on July 27, 1994 and was last reconstituted on June 26, 2023.

The members of the Audit Committee at present are:

- Ketan S. Vikamsey, Non-Executive Director - Chairman of the Committee;
- Mrugank M. Paranjape, Non-Executive Director – Member;

- Rajesh Kumar Dubey, Non-Executive Director – Member; and
- Ajay Kumar, Non-Executive-RBI Nominee Director – Member.

The function of the Audit Committee is in accordance with RBI guidelines and complies with the provisions of SEBI Listing Regulations to the extent that such provisions do not violate the directives and guidelines issued by the RBI. The functions of the Audit Committee includes the following:

- To provide direction and also oversees the operation of the total audit function in the Bank. Total audit function implies the organisation, operationalisation and quality control of internal audit and inspection within the Bank and follow-up on the statutory/ external audit, compliance of RBI inspection. It also appoints Statutory Auditors of the Bank and reviews their performance from time to time;
- To review the Bank's financial, risk management, IS Audit policies and accounting policies/ systems of the Bank to ensure greater transparency;
- To review the internal inspection/ audit plan and functions in the Bank – the system, its quality and effectiveness in terms of follow-up. The Audit Committee also, especially, focuses on the follow up of:
  - KYC-AML guidelines;
  - Major areas of housekeeping;
  - Compliance of SEBI Listing Regulations.
- To obtain and review reports from the Compliance Department in the Bank; and
- To follow up on all the issues raised in RBI's Risk Based Supervision under Section 35 of Banking Regulation Act, 1949 and Long Form Audit Reports of the Statutory Auditors and other Internal Audit Reports. It interacts with the external auditors before the finalisation of the annual/ quarterly financial accounts and reports.

A formal 'Audit Charter' or 'Terms of Reference' of the Audit Committee has been approved by the Central Board and Calendar of Reviews to be submitted to the Audit Committee is also in place, which is updated periodically and last such revision was approved by the Central Board in its meeting held on April 27, 2022.

#### ***Risk Management Committee of the Board ("RMCB")***

The Central Board approved the constitution of the RMCB on March 23, 2004, to oversee the policy and strategy for integrated risk management relating to credit risk, market risk and operational risk. The RMCB was last reconstituted with effective from June 26, 2023.

The members of the RMCB at present are:

- Mrugank M. Paranjape, Non-Executive Director - Chairman of the Committee;
- Ketan S. Vikamsey, Non-Executive Director – Member;
- Rajesh Kumar Dubey, Non-Executive Director – Member;
- Ashwini Kumar Tewari, Managing Director (Corporate Banking & Subsidiaries)- Member; and
- Rana Ashutosh Kumar Singh, Managing Director (Risk, Compliance & SARG)- Member

The RMCB meets at least once in each quarter.

#### ***Stakeholders Relationship Committee ("SRC") Cum Customer Service Committee of the Board ("CSCB")***

Pursuant to Regulation 20 of the SEBI Listing Regulations, the SRC (earlier known as Shareholders' / Grievance Committee of the Board) was formed on January 30, 2001 as the Shareholders' / Investors' Grievance Committee of the Board and was later renamed on September 24, 2014 to look into shareholders' and investors' complaints regarding such issues as transfer of shares, non-receipt of annual report and non-receipt of interest on bonds or declared dividends. In line with the view expressed in the RBI's Discussion Paper on "Governance in Commercial Banks in India" published on its website on June 11, 2020, and with a view to rationalise the number of Board Level Committees, the merger of SRC and CSCB was approved by the Central Board in its meeting dated June 25, 2020 and the merged Committee was named as Stakeholders Relationship Committee cum Customer Service Committee of the Board and became effective from June 26, 2020. The CSCB was constituted on the August 26, 2004, to bring about ongoing improvements on a continuous basis in the quality of customer service provided by the Bank. The committee was last reconstituted w.e.f. June 26, 2023.

The members of the SRC cum CSCB at present are:

- Rajesh Kumar Dubey, Non-Executive Director - Chairman of the Committee;
- Ketan S. Vikamsey, Non-Executive Director – Member;
- Swati Gupta, Non-Executive Director – Member;
- Dharmendra Singh Shekhawat, Non-Executive Director – Member;
- Vinay M. Tonse, Managing Director (Retail Business & Operations)- Member; and
- Rama Mohan Rao Amara, Managing Director (International Banking, Global Markets & Technology)- Member.

#### ***IT Strategy Committee of the Board (“ITSC”)***

The IT Strategy Committee of the Board was constituted on August 26, 2004 as the Technology Committee of the Board and was renamed as the IT Strategy Committee with effect from October 24, 2011, to track the progress of the Bank’s IT initiatives. The committee has played a strategic role in the Bank’s technology domain. The IT Strategy Committee was last reconstituted on June 26, 2023.

The members of the ITSC at present are:

- Rajesh Kumar Dubey, Non-Executive Director - Chairman of the Committee;
- Ketan S. Vikamsey, Non-Executive Director – Member;
- Mrugank M. Paranjape, Non-Executive Director – Member;
- Rana Ashutosh Kumar Singh, Managing Director (Risk, Compliance & SARG)- Member; and
- Rama Mohan Rao Amara - Managing Director (International Banking, Global Markets & Technology)- Member.

The IT Strategy Committee is entrusted with the following roles and responsibilities:

- approving IT strategy and policy documents, ensuring that the management has put an effective strategic planning process in place;
- ensuring that the IT Organisational structure complements the business model and its directions;
- evaluating effectiveness of management’s monitoring of IT risks and overseeing the aggregate funding of IT at the Bank level;
- ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable; and
- reviewing IT performance measurement and contribution of IT to businesses (i.e. delivering the promised value).

#### ***Special Committee of the Board for Monitoring and Follow-up of Cases of Frauds (“SCBMF”)***

The SCBMF was first constituted in the Bank on March 29, 2004. The name of Special Committee of the Board for Monitoring of Large Value Frauds was changed to Special Committee of the Board for Monitoring and Follow-up of Cases of Frauds during the year by the Central Board in its meeting held on November 27, 2024 to comply with RBI directions. The SCBMF was last reconstituted with effect from June 26, 2023

The members of the SCBMF at present are:

- Ketan S. Vikamsey, Non-Executive Director – Member;
- Mrugank M. Paranjape, Non-Executive Director – Member;
- Swati Gupta, Non-Executive Director – Member;
- Dharmendra Singh Shekhawat, Non-Executive Director – Member;
- Vinay M. Tonse, MD Managing Director (Retail Business & Operations)- Member; and
- Rana Ashutosh Kumar Singh, Managing Director (Risk, Compliance & SARG) - Member.

The major functions of SCBMF are to monitor and review all large value frauds with a view to identifying systemic lacunae, if any, reasons for delay in detection and reporting, if any, monitoring progress of CBI/ Police investigation, recovery position, ensuring that staff accountability exercise is completed quickly, reviewing the efficacy of remedial action taken to prevent recurrence of frauds and putting in place suitable preventive measures.

#### ***Corporate Social Responsibility Committee of the Board (“CSRC”)***

The CSRC was first constituted on September 24, 2014 as a measure of good corporate governance to review the activities undertaken by the Bank under Corporate Social Responsibility Policy. The Committee was last reconstituted with effect from June 26, 2023.

The members of the CSRC at present are:

- Vinay M. Tonse, MD Managing Director (Retail Business & Operations) - Chairman of the Committee;
- Rama Mohan Rao Amara, Managing Director (International Banking, Global Markets & Technology)- Member;
- Ketan S. Vikamsey, Non-Executive Director – Member;
- Mrugank M. Paranjape, Non-Executive Director – Member; and
- Dharmendra Singh Shekhawat, Non-Executive Director – Member.

#### ***Nomination and Remuneration Committee of the Board (“NRC”)***

The NRC was constituted with effect from October 25, 2019 pursuant to directions by the RBI and Government of India to constitute a single nomination and remuneration committee *vide* its Master Direction DBR. Appt. No: 9/29.67.001/2019-20 dated August 2, 2019, and Letter No. F. No. 16/19/2019-BO.I dated August 30, 2019, respectively. The NRC was last reconstituted with effect from June 26, 2023.

The members of the NRC at present are:

- Rajesh Kumar Dubey, Non-Executive Director - Chairman of the Committee;
- Ketan S. Vikamsey, Non-Executive Director – Member;
- Mrugank M. Paranjape, Non-Executive Director – Member;
- Swati Gupta, Non-Executive Director – Member; and
- Dharmendra Singh Shekhawat, Non-Executive Director – Member.

The NRC carries out necessary due diligence and arrives at the ‘fit and proper’ status of candidates filing nominations for election for the post of Shareholder Director. In addition, NRC also, *inter alia*, formulates the criteria/ framework for evaluation of performance of the Board, Board Level Committees, and the Directors. The Committee meets at least once in a financial year.

#### ***Board Committee to Monitor Recovery (“BCMR”)***

The Central Board established a board-level committee to monitor recovery of loans and advances on December 20, 2012 in terms of the directives of the Government. The BCMR was last reconstituted with effective from June 26, 2023.

The members of the BCMR at present are:

- Challa Sreenivasulu Setty, Chairman - Chairman of the Committee;
- Nagaraju Maddirala, Non-Executive-GoI Nominee Director – Member;
- Mrugank M. Paranjape, Non-Executive Director – Member;
- Rajesh Kumar Dubey, Non-Executive Director – Member;
- Swati Gupta, Non-Executive Director – Member;
- Dharmendra Singh Shekhawat, Non-Executive Director – Member;
- Ashwini Kumar Tewari, Managing Director (Corporate Banking & Subsidiaries) - Member;
- Vinay M. Tonse, Managing Director (Retail Business & Operations)- Member;
- Rana Ashutosh Kumar Singh, Managing Director (Risk, Compliance & SARG)- Member; and
- Rama Mohan Rao Amara, Managing Director (International Banking, Global Markets & Technology)- Member.

#### ***Review Committee for Identification of Wilful Defaulters (“RCIWD”)***

The RCIWD was first constituted by the Central Board in its meeting held on May 17, 2016 in terms of RBI instructions. The RCIWD was last reconstituted on January 16, 2025.

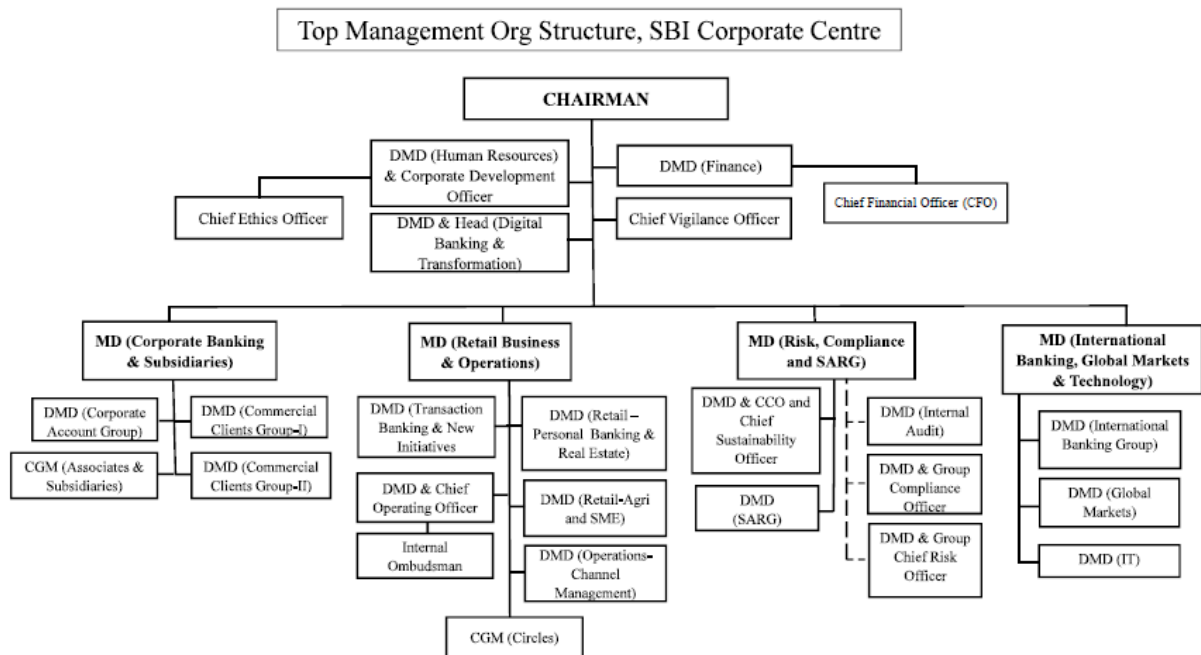
The members of the RCIWD at present are:

- Challa Sreenivasulu Setty, Chairman - Chairman of the Committee; and
- Members: At least two Non-Executive Directors with Chairman forms the quorum.

The role of the RCIWD is to review the order of the ‘Wilful Defaulter Identification Committee’ (a committee headed by a Managing Director with Senior Executives of the Bank as members, for identification of the borrower/ guarantor as wilful defaulter) based on certain threshold limit as approved by the Central Board.

### **Management Organization Structure**

Set forth is the organization structure of our Bank:



### Our Senior Managerial Personnel

| Sr. No. | Name                    | Designation                                                        |
|---------|-------------------------|--------------------------------------------------------------------|
| 1.      | Saloni Narayan          | Deputy Managing Director (Finance)                                 |
| 2.      | Poludasu Kishore Kumar  | Deputy Managing Director (HR) & CDO                                |
| 3.      | Ruma Dey                | Deputy Managing Director & Group Compliance Officer                |
| 4.      | Shamsher Singh          | Deputy Managing Director (Transaction Banking & New Initiatives)   |
| 5.      | Deepak Kumar Lalla      | Managing Director & CEO, SBICAP Securities Ltd.                    |
| 6.      | Amit Jhingran           | Managing Director & CEO, SBI Life Insurance Co Ltd.                |
| 7.      | Surender Rana           | Deputy Managing Director (Retail-Agri & SME)                       |
| 8.      | Baldev Prakash          | Deputy Managing Director & Group Chief Risk Officer                |
| 9.      | Jayati Bansal           | Deputy Managing Director (International Banking Group)             |
| 10.     | Nand Kishore            | Managing Director & CEO, SBI Funds Management Ltd                  |
| 11.     | Binod Kumar Mishra      | Deputy Managing Director & COO                                     |
| 12.     | Shiva Om Dikshit        | Deputy Managing Director (OPS - Channel Management)                |
| 13.     | Kshitij Mohan           | Deputy Managing Director (SARG)                                    |
| 14.     | Satish Rao Nagesh       | Deputy Managing Director (Information Technology) GITC             |
| 15.     | Virendra Bansal         | Managing Director and CEO, SBI Capital Markets Ltd.                |
| 16.     | Ashok Kumar Sharma      | Deputy Managing Director & CCO and Chief Sustainability Officer    |
| 17.     | G S Rana                | Deputy Managing Director (Retail-PB & RE)                          |
| 18.     | Ravi Ranjan             | Deputy Managing Director (Global Markets)                          |
| 19.     | Prem Anup Sinha         | Deputy Managing Director (CAG)                                     |
| 20.     | Naveen Chandra Jha      | Managing Director & CEO, SBI General Insurance Co. Ltd.            |
| 21.     | Arvind Kumar Singh      | Deputy Managing Director                                           |
| 22.     | Satyendra Kumar Singh   | Deputy Managing Director (CCG-II)                                  |
| 23.     | Chander Shekhar Sharma  | Deputy Managing Director                                           |
| 24.     | Rajesh Kumar            | Deputy Managing Director (Designate) (Retail-Agri & SME)           |
| 25.     | Parminder Singh         | Deputy Managing Director                                           |
| 26.     | Rajeev Kumar            | Deputy Managing Director (Internal Audit)                          |
| 27.     | Ramesh Srinivas Rao     | Deputy Managing Director (CCG-I)                                   |
| 28.     | Salila Pande            | Managing Director & CEO, SBI Cards & Payments Services Ltd         |
| 29.     | Anindya Sunder Paul     | Deputy Managing Director                                           |
| 30.     | Nitin Chugh             | Deputy Managing Director & Head (Digital Banking & Transformation) |
| 31.     | Kameshwar Rao Kodavanti | Chief Financial Officer                                            |

### Brief Profiles of our Senior Managerial Personnel

The details of the Senior Managerial Personnel of our Bank are as follows:

**Saloni Narayan** is the Deputy Managing Director (Finance) of our Bank. She has been associated with our Bank since December 1, 1988.

**Poludasu Kishore Kumar** is the Deputy Managing Director (HR) & CDO of our Bank. He has been associated with our Bank since August 1, 1991.

**Ruma Dey** is the Deputy Managing Director & Group Compliance Officer of our Bank. She has been associated with our Bank since April 16, 1990.

**Shamsher Singh** is the Deputy Managing Director (Transaction Banking & New Initiatives) of our Bank. He has been associated with our Bank since June 26, 1990.

**Deepak Kumar Lalla** is the Managing Director & CEO SBICAP Securities Ltd. He has been associated with our Bank since March 21, 1985.

**Amit Jhingran** is the Managing Director & CEO of SBI Life Insurance Co Ltd. He has been associated with our Bank since August 1, 1991.

**Surender Rana** is the Deputy Managing Director (Retail-Agri & SME) of our Bank. He has been associated with our Bank since August 1, 1991.

**Baldev Prakash** is the Deputy Managing Director & Group Chief Risk Officer of our Bank. He has been associated with our Bank since August 1, 1991.

**Jayati Bansal** is the Deputy Managing Director (International Banking Group) of our Bank. She has been associated with our Bank since April 16, 1990.

**Nand Kishore** is the Managing Director & CEO of SBI Funds Management Ltd. He has been associated with our Bank since April 16, 1990.

**Binod Kumar Mishra** is the Deputy Managing Director & COO of our Bank. He has been associated with our Bank since April 16, 1990.

**Shiva Om Dikshit** is the Deputy Managing Director (OPS - Channel Management) of our Bank. He has been associated with our Bank since December 1, 1988.

**Kshitij Mohan** is the Deputy Managing Director (SARG) of our Bank. He has been associated with our Bank since April 16, 1990.

**Satish Rao Nagesh** is the Deputy Managing Director (Information Technology) GITC of our Bank. He has been associated with our Bank since August 1, 1991.

**Virendra Bansal** is the Managing Director & CEO of SBI Capital Markets Ltd. He has been associated with our Bank since June 7, 1990.

**Ashok Kumar Sharma** is the Deputy Managing Director & CCO and Chief Sustainability Officer of our Bank. He has been associated with our Bank since August 1, 1991.

**G S Rana** is the Deputy Managing Director (Retail-PB & RE) of our Bank. He has been associated with our Bank since August 1, 1991.

**Ravi Ranjan** is the Deputy Managing Director (Global Markets) of our Bank. He has been associated with our Bank since August 1, 1991.

**Prem Anup Sinha** is the Deputy Managing Director (CAG) of our Bank. He has been associated with our Bank since June 16, 1994.

**Naveen Chandra Jha** is the Managing Director & CEO of SBI General Insurance Co. Ltd.. He has been associated with our Bank since July 15, 1994.



**Arvind Kumar Singh** is the Deputy Managing Director of our Bank. He has been associated with our Bank since August 12, 1994.

**Satyendra Kumar Singh** is the Deputy Managing Director (CCG-II) of our Bank. He has been associated with our Bank since August 1, 1991.

**Chander Shekhar Sharma** is the Deputy Managing Director of our Bank. He has been associated with our Bank since June 16, 1994.

**Rajesh Kumar** is the Deputy Managing Director (Designate) (Retail-Agri & SME) of our Bank. He has been associated with our Bank since August 1, 1991.

**Parminder Singh** is the Deputy Managing Director of our Bank. He has been associated with our Bank since August 1, 1991.

**Rajeev Kumar** is the Deputy Managing Director (Internal Audit) of our Bank. He has been associated with our Bank since July 8, 1994.

**Ramesh Srinivas Rao** is the Deputy Managing Director (CCG-I) of our Bank. He has been associated with our Bank since September 1, 1995.

**Salila Pande** is the Managing Director & CEO of SBI Cards & Payments Services Ltd. She has been associated with our Bank since September 1, 1995.

**Anindya Sunder Paul** is the Deputy Managing Director of our Bank. He has been associated with our Bank since September 1, 1995.

**Nitin Chugh** is the Deputy Managing Director & Head (Digital Banking & Transformation) of our Bank. He has been associated with our Bank since March 4, 2022.

**Kameshwar Rao Kodavanti** is the Chief Financial Officer of our Bank. He has been associated with our Bank since August 1, 1991.

Except Nitin Chugh, Deputy Managing Director & Head (Digital Banking & Transformation), who is on contractual basis, all our above mentioned Senior Managerial Personnel are permanent employees of our Bank.

### Shareholding of our Senior Managerial Personnel

The following table sets forth details of shareholding of our Senior Managerial Personnel in our Bank, as on the date of this Placement Document:

| Sr. No. | Name                   | No. of Equity Shares | Percentage shareholding (%) |
|---------|------------------------|----------------------|-----------------------------|
| 1.      | Saloni Narayan         | 530                  | Negligible                  |
| 2.      | Poludasu Kishore Kumar | Nil                  | Not applicable              |
| 3.      | Ruma Dey               | 1,890                | Negligible                  |
| 4.      | Shamsher Singh         | 1,190                | Negligible                  |
| 5.      | Deepak Kumar Lalla     | 1,710                | Negligible                  |
| 6.      | Amit Jhingran          | 300                  | Negligible                  |
| 7.      | Surender Rana          | 1,229                | Negligible                  |
| 8.      | Baldev Prakash         | 100                  | Negligible                  |
| 9.      | Jayati Bansal          | 1,530                | Negligible                  |
| 10.     | Nand Kishore           | Nil                  | Not applicable              |
| 11.     | Binod Kumar Mishra     | Nil                  | Not applicable              |
| 12.     | Shiva Om Dikshit       | 930                  | Negligible                  |
| 13.     | Kshitij Mohan          | 400                  | Negligible                  |
| 14.     | Satish Rao Nagesh      | 2,100                | Negligible                  |
| 15.     | Virendra Bansal        | Nil                  | Not applicable              |
| 16.     | Ashok Kumar Sharma     | 1,710                | Negligible                  |
| 17.     | G S Rana               | 1,430                | Negligible                  |
| 18.     | Ravi Ranjan            | Nil                  | Not applicable              |
| 19.     | Prem Anup Sinha        | 4                    | Negligible                  |
| 20.     | Naveen Chandra Jha     | 535                  | Negligible                  |
| 21.     | Arvind Kumar Singh     | Nil                  | Not applicable              |

| Sr. No. | Name                    | No. of Equity Shares | Percentage shareholding (%) |
|---------|-------------------------|----------------------|-----------------------------|
| 22.     | Satyendra Kumar Singh   | Nil                  | Not applicable              |
| 23.     | Chander Shekhar Sharma  | Nil                  | Not applicable              |
| 24.     | Rajesh Kumar            | 700                  | Negligible                  |
| 25.     | Parminder Singh         | 1,760                | Negligible                  |
| 26.     | Rajeev Kumar            | 100                  | Negligible                  |
| 27.     | Ramesh Srinivas Rao     | 400                  | Negligible                  |
| 28.     | Salila Pande            | Nil                  | Not applicable              |
| 29.     | Anindya Sunder Paul     | 140                  | Negligible                  |
| 30.     | Nitin Chugh             | 2,419                | Negligible                  |
| 31.     | Kameshwar Rao Kodavanti | 680                  | Negligible                  |

### **Interests of our Senior Managerial Personnel**

None of our Senior Managerial Personnel have any interest in our Bank except to the extent of their, remuneration, benefits and reimbursement of expenses incurred by them in the ordinary course of business, which they receive from our Bank, and loans availed from our Bank, if any.

Our Senior Managerial Personnel may also be deemed to be interested to the extent of Equity Shares held by them in our Bank and any dividend or other distributions payable to them in respect of the said Equity Shares (if any). For details of Equity Shares held by our Senior Managerial Personnel in our Bank, see “Shareholding details of our Senior Managerial Personnel” above.

Other than as disclosed in this Placement Document, there were no outstanding transactions other than in the ordinary course of business undertaken by our Bank in which the Senior Managerial Personnel were the interested parties.

### **Policy on disclosures and internal procedure for prevention of insider trading**

Regulations 8(1) and 9(1) of the SEBI Insider Trading Regulations as amended applies to our Bank and its employees and requires our Bank to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with. Our Bank has implemented a code of conduct for prevention of insider trading in accordance with the SEBI Insider Trading Regulations, as amended.

### **Employee Stock Option Scheme/Employee Stock Purchase Scheme**

As on the date of this Placement Document, our Bank does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme.

## PRINCIPAL SHAREHOLDERS AND OTHER INFORMATION

The shareholding pattern of our Bank, as on June 30, 2025 is set forth below:

### Summary statement showing the shareholding pattern of our Bank

| Category of shareholder                  | No. of shareholders | No. of fully paid up equity shares held | No. of shares underlying Depository Receipts | Total no. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) as a % of (A+B+C2) | No. of Locked in shares |                                 | No. of equity shares held in dematerialized form |
|------------------------------------------|---------------------|-----------------------------------------|----------------------------------------------|-----------------------|----------------------------------------------------------------------------------------------|-------------------------|---------------------------------|--------------------------------------------------|
|                                          |                     |                                         |                                              |                       |                                                                                              | No. (a)                 | As a % of total Shares held (b) |                                                  |
| <b>(A) Promoter &amp; Promoter Group</b> | 1                   | 5,079,775,288                           | -                                            | 5,079,775,288         | 57.42                                                                                        | -                       | -                               | 5,079,775,288                                    |
| <b>(B) Public</b>                        | 3,754,457           | 3,767,238,586                           | -                                            | 3,767,238,586         | 42.58                                                                                        | -                       | -                               | 3,721,712,690                                    |
| <b>(C1) Shares underlying DRs</b>        | 1                   | 0                                       | 77,606,160                                   | 77,606,160            | 0                                                                                            | -                       | -                               | 77,606,160                                       |
| <b>(C) Non Promoter-Non Public</b>       | 1                   | 0                                       | 77,606,160                                   | 77,606,160            | -                                                                                            | -                       | -                               | 77,606,160                                       |
| <b>Grand Total</b>                       | <b>3,754,459</b>    | <b>8,847,013,874</b>                    | <b>77,606,160</b>                            | <b>8,924,620,034</b>  | <b>100</b>                                                                                   | <b>0</b>                | <b>0</b>                        | <b>8,879,094,138</b>                             |

### Shareholding Pattern of Promoter and Promoter Group of our Bank as on June 30, 2025

| Category of Shareholder                         | No. of Shareholders | No. of fully paid up equity shares held | No. of shares underlying Depository Receipts | Total no. of shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) as a % of (A+B+C2) | No. of Locked in shares |                                 | No. of equity shares held in dematerialized form |
|-------------------------------------------------|---------------------|-----------------------------------------|----------------------------------------------|--------------------------|----------------------------------------------------------------------------------------------|-------------------------|---------------------------------|--------------------------------------------------|
|                                                 |                     |                                         |                                              |                          |                                                                                              | No. (a)                 | As a % of total Shares held (b) |                                                  |
| A) Indian                                       | -                   | -                                       | -                                            | -                        | 0.00                                                                                         | -                       | -                               | -                                                |
| Central Government (through President of India) | 1                   | 5,079,775,288                           | -                                            | 5,079,775,288            | 57.42                                                                                        | -                       | -                               | 5,079,775,288                                    |
| Sub Total A1                                    | 1                   | 5,079,775,288                           | -                                            | 5,079,775,288            | 57.42                                                                                        | 0                       | 0                               | 5,079,775,288                                    |
| A2) Foreign                                     | -                   | -                                       | -                                            | -                        | 0.00                                                                                         | -                       | -                               | -                                                |
| A=A1+A2                                         | 1                   | 5,079,775,288                           | -                                            | 5,079,775,288            | 57.42                                                                                        | 0                       | 0                               | 5,079,775,288                                    |

**Shareholding Pattern of Public Shareholders as on June 30, 2025**

| Category & Name of the Shareholders            | No. of shareholder | No. of fully paid up equity shares held | No. of shares underlying Depository Receipts | Total no. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | No. of equity shares held in dematerialized form(Not Applicable) |
|------------------------------------------------|--------------------|-----------------------------------------|----------------------------------------------|-----------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| <b>Institutions</b>                            | 0                  | 0                                       |                                              |                       | 0.00                                                           |                                                                  |
| <b>B1) Institutions (Domestic)</b>             | 0                  | 0                                       |                                              |                       | 0.00                                                           |                                                                  |
| <b>Mutual Funds/</b>                           | 69                 | 1,151,783,559                           | -                                            | 1,151,783,559         | 13.02                                                          | 1,151,534,259                                                    |
| SBI MUTUAL FUND SCHEMES                        | 1                  | 256,262,027                             | -                                            | 256,262,027           | 2.90                                                           | 256,262,027                                                      |
| NIPPON LIFE INDIA MUTUAL FUND SCHEMES          | 1                  | 109,791,079                             | -                                            | 109,791,079           | 1.24                                                           | 109,791,079                                                      |
| KOTAK MUTUAL FUND SCHEMES                      | 1                  | 96,298,641                              | -                                            | 96,298,641            | 1.09                                                           | 96,298,641                                                       |
| HDFC MUTUAL FUND SCHEMES                       | 1                  | 139,543,460                             | -                                            | 139,543,460           | 1.58                                                           | 139,543,460                                                      |
| ICICI MUTUAL FUND SCHEMES                      | 1                  | 170,368,603                             | -                                            | 170,368,603           | 1.93                                                           | 170,368,603                                                      |
| <b>Alternate Investment Funds</b>              | 90                 | 34,319,894                              | -                                            | 34,319,894            | 0.39                                                           | 34,319,894                                                       |
| <b>Banks</b>                                   | 54                 | 786,724                                 | -                                            | 786,724               | 0.01                                                           | 715,402                                                          |
| <b>Insurance Companies</b>                     | 43                 | 926,612,726                             | -                                            | 926,612,726           | 10.47                                                          | 926,587,226                                                      |
| LIFE INSURANCE CORPORATION OF INDIA            | 1                  | 813,718,369                             | -                                            | 813,718,369           | 9.20                                                           | 81,37,13,869                                                     |
| <b>Provident Funds/ Pension Funds</b>          | 1                  | 144,294,221                             | -                                            | 144,294,221           | 1.63                                                           | 144,294,221                                                      |
| NPS TRUST SCHEMES                              | 1                  | 144,294,221                             | -                                            | 144,294,221           | 1.63                                                           | 144,294,221                                                      |
| <b>Sovereign Wealth Funds</b>                  | 2                  | 11,847,656                              | -                                            | 11,847,656            | 0.13                                                           | 11,847,656                                                       |
| <b>NBFCs registered with RBI</b>               | 29                 | 140,636                                 | -                                            | 140,636               | 0.00                                                           | 140,636                                                          |
| <b>Other Financial Institutions</b>            | 4                  | 1,366,010                               | -                                            | 1,366,010             | 0.02                                                           | 1,366,010                                                        |
| <b>Sub Total B1</b>                            | 292                | 2,271,151,426                           | -                                            | 2,271,151,426         | 25.67                                                          | 2,27,08,05,304                                                   |
| <b>B2) Institutions (Foreign)</b>              | 0                  | 0                                       |                                              |                       | 0.00                                                           |                                                                  |
| <b>Foreign Portfolio Investors Category I</b>  | 907                | 791,196,631                             | -                                            | 791,196,631           | 8.94                                                           | 791,196,631                                                      |
| <b>Foreign Portfolio Investors Category II</b> | 71                 | 33,245,980                              | -                                            | 33,245,980            | 0.38                                                           | 33,245,980                                                       |

| Category & Name of the Shareholders                                                          | No. of shareholder | No. of fully paid up equity shares held | No. of shares underlying Depository Receipts | Total no. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | No. of equity shares held in dematerialized form(Not Applicable) |
|----------------------------------------------------------------------------------------------|--------------------|-----------------------------------------|----------------------------------------------|-----------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| Any Other(Institutions (Foreign))                                                            | 78                 | 948,920                                 | -                                            | 948,920               | 0.01                                                           | 12,000                                                           |
| Sub Total B2                                                                                 | 1,056              | 825,391,531                             | -                                            | 825,391,531           | 9.33                                                           | 824,454,611                                                      |
| B3) Central Government/ State Government(s)/ President of India                              | 0                  | 0                                       |                                              |                       | 0.00                                                           |                                                                  |
| Central Government / President of India                                                      | 1                  | 26,000                                  | -                                            | 26,000                | 0.00                                                           |                                                                  |
| State Government / Governor                                                                  | 1                  | 1,219,580                               | -                                            | 1,219,580             | 0.01                                                           |                                                                  |
| Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | 12                 | 232,748                                 | -                                            | 232,748               | 0.00                                                           | 232,748                                                          |
| Sub Total B3                                                                                 | 14                 | 1,478,328                               | -                                            | 1,478,328             | 0.02                                                           | 232,748                                                          |
| B4) Non-Institutions                                                                         | 0                  | 0                                       |                                              |                       | 0.00                                                           |                                                                  |
| Associate companies / Subsidiaries                                                           | 1                  | 35                                      | -                                            | 35                    | 0.00                                                           | 35                                                               |
| Directors and their relatives (excluding independent directors and nominee directors)        | 6                  | 4,590                                   | -                                            | 4,590                 | 0.00                                                           | 4,590                                                            |
| Key Managerial Personnel                                                                     | 2                  | 1,210                                   | -                                            | 1,210                 | 0.00                                                           | 1,210                                                            |
| Resident Individuals holding nominal share capital up to Rs. 2 lakhs                         | 3,649,315          | 549,635,390                             | -                                            | 549,635,390           | 6.21                                                           | 508,535,012                                                      |
| Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs                  | 42                 | 29,360,423                              | -                                            | 29,360,423            | 0.33                                                           | 29,360,423                                                       |
| Non Resident Indians (NRIs)                                                                  | 54,990             | 28,025,420                              | -                                            | 28,025,420            | 0.32                                                           | 27,002,130                                                       |
| Foreign Nationals                                                                            | 8                  | 1,915                                   | -                                            | 1,915                 | 0.00                                                           | 1,475                                                            |
| Foreign Companies                                                                            | 5                  | 95,292                                  | -                                            | 95,292                | 0.00                                                           | 92,292                                                           |
| Bodies Corporate                                                                             | 8,571              | 47,651,708                              | -                                            | 47,651,708            | 0.54                                                           | 47,026,562                                                       |
| Any Other (specify)                                                                          | 40,155             | 14,441,318                              | -                                            | 14,441,318            | 0.16                                                           | 14,196,298                                                       |
| Clearing Members                                                                             | 32                 | 59,089                                  | -                                            | 59,089                | 0.00                                                           | 59,089                                                           |
| HUF                                                                                          | 39,892             | 10,719,600                              | -                                            | 10,719,600            | 0.12                                                           | 10,661,010                                                       |
| Trusts                                                                                       | 230                | 3,076,860                               | -                                            | 3,076,860             | 0.03                                                           | 2,903,210                                                        |

| Category & Name of the Shareholders     | No. of shareholder | No. of fully paid up equity shares held | No. of shares underlying Depository Receipts | Total no. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | No. of equity shares held in dematerialized form(Not Applicable) |
|-----------------------------------------|--------------------|-----------------------------------------|----------------------------------------------|-----------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| Unclaimed or Suspense or Escrow Account | 1                  | 585,769                                 |                                              | 585,769               | 0.1                                                            | 572,989                                                          |
| <b>Sub Total B4</b>                     | 3,753,095          | 669,217,301                             | -                                            | 669,217,301           | 7.56                                                           | 626,220,027                                                      |
| <b>B=B1+B2+B3+B4</b>                    | 3,754,457          | 3,767,238,586                           |                                              | 3,767,238,586         | <b>42.58</b>                                                   | 3,721,712,690                                                    |

**Shareholding Pattern of the Non Promoter – Non Public shareholder as on June 30, 2025**

| Category & Name of the Shareholders(I) | No. of shareholder(III) | No. of fully paid up equity shares held(IV) | Nos. of shares underlying Depository Receipts(VI) | Total no. shares held(VII = IV+V+VI) | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)(VIII) | Number of equity shares held in dematerialized form(XIV)(Not Applicable) |
|----------------------------------------|-------------------------|---------------------------------------------|---------------------------------------------------|--------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------------|
| <b>C1) Custodian/DR Holder</b>         | 0                       | 0                                           | 0                                                 | 0                                    | 0.00                                                                 | 0                                                                        |
| <b>Custodian/DR Holder</b>             | 1                       | 0                                           | 77,606,160                                        | 77,606,160                           | -                                                                    | 77,606,160                                                               |
| THE BANK OF NEW YORK MELLON            | 1                       | 0                                           | 77,606,160                                        | 77,606,160                           | -                                                                    | 77,606,160                                                               |
| <b>C2) Employee Benefit Trust</b>      | 0                       | 0                                           | 0                                                 | 0                                    | 0.00                                                                 | 0                                                                        |

**Details of disclosure made by the Trading Members holding 1% or more of the Total Number of shares of our Bank as on June 30, 2025.**

| S. No. | Name of the Trading Member | Name of the Beneficial Owner | No. of shares held | % of total no. of shares | Date of reporting by the Trading Member |
|--------|----------------------------|------------------------------|--------------------|--------------------------|-----------------------------------------|
| -      | NIL                        | NIL                          | NIL                | NIL                      | NIL                                     |

## REGULATIONS AND POLICIES

*The following description is a summary of certain sector specific laws and regulations in India, which are applicable to the Bank. The information detailed in this section has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice or a detailed review of the relevant laws and regulations.*

### Our Statutory Framework

The primary legislation governing commercial banks in India is the Banking Regulation Act. The provisions of the Banking Regulation Act are in addition to and not, unless expressly stated otherwise therein, in derogation of any other law for the time being in force. The Bank has been constituted and is governed by the provisions of the SBI Act and the SBI General Regulations. Certain provisions of the Banking Regulation Act are also applicable to the Bank. Other important laws relevant to banks in India, including the Bank, include the RBI Act, the Negotiable Instruments Act, 1881, as amended, the FEMA and the Bankers' Books Evidence Act, 1891, as amended. The Bank is a scheduled commercial bank as per the provisions of the RBI Act. Additionally, the RBI periodically issues guidelines, regulations, policies, notifications, press releases and circulars, which the Bank is required to follow. The RBI supervises the Bank's compliance with the applicable laws and regulations.

### The SBI Act

The Bank has been constituted under the SBI Act to facilitate the execution of public policies related to banking and finance, such as the large-scale extension of banking facilities throughout the country, with particular emphasis on the extension of such facilities in rural and semi-urban areas. Under the SBI Act, the Bank shall be guided by such directions in matters of policy involving public interest as the Government may, in consultation with the governor of the RBI and the chairman of the Bank, prescribe.

The Bank is managed by the Central Board, which consists of the Chairman and not more than four Managing Directors, each appointed by the Government in consultation with the RBI; elected directors of the shareholders; one director each from the employees of the Bank who are workmen as well as who are not workmen to be appointed by the Government; other nominee directors appointed by the Government from among persons having special knowledge of the working of cooperative institutions and of rural economy or experience in commerce, industry, banking or finance; one director to be nominated by the Government; and, one director possessing necessary experience in matters relating to regulation or supervision of commercial banks to be nominated by the Government on the recommendation of the RBI.

According to the SBI Act, the Bank must act as an agent of the RBI at all places where it has a branch, if so required by the RBI. Further, the accounts of the Bank must be audited by external statutory auditors appointed by the Bank with the previous approval of the RBI. If the Government desires, it may appoint auditors to examine and report on the Bank's accounts. Also, according to Section 45 of the SBI Act, the provisions of law relating to the winding up of companies do not apply to the Bank and the Bank cannot be placed in liquidation except by order of the Government.

The SBI Act was amended with effect from June 29, 2007 by the State Bank of India (Amendment) Act 2007 to effect a total transfer of the RBI's shareholding of the Bank to the Government.

Further, the SBI Act was amended with effect from September 15, 2010 by the State Bank of India (Amendment) Act, 2010. Some salient features of the SBI Act, after the said amendment, are as follows:

- a) the Bank may raise capital through the issue of preference shares by public issue, rights issue, preferential allotment or private placement, with the previous approval of the RBI and the Central Government;
- b) the Government's minimum required shareholding of the Bank's issued capital is reduced from 55.00% to 51.00%;
- c) the Central Board may increase the issued capital of the Bank by the issue of bonus shares to existing equity shareholders in such manner as the Government may, after consultation with the RBI, direct;
- d) the exercise of voting rights by preference shareholders is restricted to resolutions directly affecting the rights of preference shareholders;
- e) the voting rights of preference shareholders other than the Government are restricted to a ceiling of 10.00% of the total voting rights of all shareholders holding only preference share capital;
- f) the Government, in consultation with the RBI, may appoint up to four Managing Directors to the Central Board;
- g) the RBI may appoint additional directors whenever necessary in the interest of banking policy or in the public interest or in the interests of the Bank or its depositors;
- h) the Government may supersede the Central Board in certain cases on the recommendation of the RBI, for a period not exceeding 6 months which may be extended provided that the total period shall not exceed 12 months and may appoint an administrator for such period as it may determine;
- i) the Bank may accept instalment payments, make calls, and forfeit and re-issue unpaid shares;

- j) a person registered as a holder in his own right of unencumbered shares in the Bank, either as sole holder or as first named holder when jointly held, of a nominal value of at least 5,000 can contest an election for a directorship of the Bank; and
- k) the Bank may transfer any unpaid or unclaimed dividends, if not claimed or paid within 30 days from the date of declaration of dividend, to the 'unpaid dividend account' within 7 days from the date of expiry of the said period of 30 days and thereafter to the 'Investor Education and Protection Fund' if it remains unpaid or unclaimed for a period of 7 years from the date of transfer to the unpaid dividend account.

### **The State Bank of India General Regulations, 1955 (the "SBI General Regulations")**

Section 50 of the SBI Act empowers the Central Board of the Bank, after consultation with the Reserve Bank and with the previous sanction of the Central Government to make regulations for all matters for giving effect to the provisions of the SBI Act and in particular to the specific items mentioned in the said section. Accordingly, the SBI General Regulations was formulated in accordance with the SBI Act.

The SBI General Regulations contain specific provisions dealing with matters related to, inter alia, the shares and share register of the Bank; safeguards to be provided in maintaining the register of shareholders in computers; meeting of shareholders; voting rights of shareholders; election of directors; meetings and related matters of the Central Board and its executive committee; jurisdiction of local head offices of the Bank; local boards and its committees; remuneration of directors and local board members; loans and advances to directors, employees, etc.; execution of documents by the Bank and signing power of officials of the Bank; and, payment of dividend by the Bank, etc.

### **The Bank's relationships with the Government and the RBI**

The Bank has relationships with the Government and the RBI in several contexts as described below.

#### ***The Government as majority shareholder***

The Government purchased the RBI's entire shareholding in the Bank on June 29, 2007 and the President of India, acting through the Ministry of Finance, Government of India is the Bank's Promoter with a shareholding of approximately 56.92% as of March 31, 2025. The SBI Act provides that the Government shall hold not less than 51.00% of the Bank's Equity Shares.

#### ***Statutory powers of the Government under the SBI Act***

As the formation and constitution of the Bank is under the SBI Act, it does not have articles or a memorandum of association. However, under the SBI Act, the Government has been given rights and powers typically given to shareholders under typical corporate structures. For example, the Government has the power to increase or reduce the authorised capital of the Bank. The SBI Act also provides that no shareholder other than the Government shall be entitled to exercise voting rights in respect of any shares held in excess of 10.00% of the Bank's issued share capital.

The SBI Act and the regulations thereunder provide the Government and the RBI with certain additional rights in respect of the Bank. For instance, the SBI Act expressly provides that the Bank shall be guided in matters of policy involving public interest by such directions as the Central Government may, in consultation with the Governor of RBI and the Chairman of the Bank. Further, the Government also nominates a director, on the recommendation of the RBI, to the Central Board, under Section 19(f) of the SBI Act. The Chairman and a maximum of four managing directors are directly appointed by the Government in consultation with the RBI. The Government has the power to remove any director from the Central Board.

As per Section 24A of the SBI Act, if the Government, on the recommendations of the RBI, is satisfied that in the public interest or for preventing the affairs of the Bank being conducted in a manner detrimental to the interest of the depositors or the Bank or for securing the proper management of the Bank, the Government is empowered to supersede the Central Board for a period not exceeding six months, which can be further extended for a total period not exceeding twelve months. In case of such supersession of the Central Board, the Government, in consultation with the RBI, shall appoint an administrator, who shall exercise all the powers of the Central Board. Further, in case of such supersession, the Chairman, Managing Directors and other directors of the Bank shall vacate their office. The Government is also empowered to constitute a committee of three or more persons having experience in law, finance, banking, economics or accountancy to assist the administrator in the discharge of his duties. The Government has also passed the State Bank of India Administrator (Salary and Allowances) Rules, 2013 and the State Bank of India Committee (Procedure) Rules, 2013, vide notification dated July 11, 2013 for the purpose of prescribing the salary and allowances of the administrator and the members of the committee to assist the administrator and also in respect of the procedure of the meetings of the committee. Additionally, the Government has also passed The State Bank of India (Appointment of Employee Directors) Rules, 1974 vide notification dated June 29, 1974 for the purposes of governing the appointment of two employee directors to be appointed by the Central Government as required under Section 19(ca) and Section 19 (cb) of the SBI Act.



### ***The Government and the RBI as regulators***

The Government and the RBI regulate the banking sector in India. In particular, the RBI has the authority to issue instructions and notifications, which are typically broad in scope, thereby giving the RBI considerable latitude over banks in general, including the Bank. Pursuant to such instructions and notifications, the RBI defines the scope of the Bank's activities and otherwise controls many factors affecting the Bank's competitive position, operations and financial condition. It also has the power to license new banks which may compete with the Bank.

### ***The RBI and its Regulations***

Section 35A of the Banking Regulation Act gives power to the RBI to issue directions to banking companies generally or to any banking company in particular, as the RBI may deem fit. For instance, the RBI may issue directions: (i) in public interest; (ii) in the interest of banking policy; (iii) to prevent the affairs of any banking company from being conducted in a manner detrimental to the interests of depositors or prejudicial to the interests of the banking company; or (iv) to secure the proper management of any banking company generally. The banking companies are bound to comply with all such directions from the RBI.

The Bank is a body corporate constituted under the SBI Act. By virtue of Section 33 of the SBI Act, the Bank may carry on and transact the business of banking as set out in Section 5 and Section 6 of the Banking Regulation Act. Section 51 of the Banking Regulation Act makes some of the Act's provisions applicable to the Bank. Further, the Bank is also regulated and supervised by the RBI for other matters relating to banking. The RBI requires the Bank to furnish statements, information and certain details relating to its business. The RBI has issued guidelines on several matters including, but not limited to, recognition of income, classification of assets, valuation of investments, maintenance of capital adequacy and provisioning for impaired assets. The RBI has set up a Board for Financial Supervision ("**BFS**"), under the chairmanship of the Governor of the RBI. The primary objective of the BFS is to undertake consolidated supervision of the financial sector comprising commercial banks, financial institutions and non-bank financial companies. The appointment of the auditors of the Bank is subject to the approval of the RBI. The RBI can direct a special audit in the interest of the depositors or in the public interest.

### ***Restrictions on Investments in a Single Company***

A bank may hold shares in a subsidiary company in accordance with the provisions of the Banking Regulation Act. Further the "Investments in subsidiaries and other companies - Guidelines", issued by the RBI on December 12, 2011 and the master circular on "para banking activities" dated July 1, 2015 lays down the framework for banks' investments in companies which are not subsidiaries.

### ***Regulatory Reporting and Examination Procedures***

The RBI is empowered under the Banking Regulation Act to call for certain information from a bank as well as to inspect a bank. The RBI monitors prudential parameters at periodic basis.

RBI has introduced the Centralised Information Management System (CIMS) to revolutionize its data handling, analysis, and governance. The system leverages advanced technology to manage big data, enabling powerful data mining, text mining, visual analytics, and statistical analysis. Apart from CIMS, RBI has also launched Daksh—a new suptech initiative aimed at developing an Advanced Supervisory Monitoring System. The application allows for the collection and analysis of data from various sources and the automation of various steps of the supervisory process. Recently in May 2025 the RBI has implemented Mandatory Digital Lending App Reporting. The RBI has mandated all regulated entities to report details of their Digital Lending Apps (DLAs) through the CIMS portal starting May 13, 2025.

RBI has adopted a Risk Based Supervisory (RBS) approach, based on the recommendations of the High-Level Steering Committee (HLSC) for Review of Supervisory Processes of Commercial Banks. RBI's revised supervisory approach is called Supervisory Program for Assessment of Risk and Capital – SPARC. RBI conducts Inspection for Supervisory Evaluation (ISE) of the Bank under Section 35 of Banking Regulation Act, 1949 and shares Inspection and Risk Assessment Report (IRAR) as part of Supervisory Programme for Assessment of Risk and Capital (SPARC). This involves on-site inspection of the Banks on matters relating to the bank's portfolio, risk management systems, governance and oversight, internal controls, credit allocation and regulatory compliance.

### ***Regulations Relating to the Opening of Branches***

The opening of new branches and shifting of existing branches of banks are governed by Section 23 of the Banking Regulation Act. Before granting any permission on an annual basis, the RBI may require to be satisfied, by an inspection under Section 35 or otherwise, as to the financial condition and history of the banking company, the general character of its management, the adequacy of its capital structure and earning prospects and that public interest will be served by the opening or, as the case may be, change of location of the existing place of business. The RBI may cancel the license for violations of the conditions under which it was granted.

As per the “Master Circular on Branch Authorization” dated July 1, 2015, banks are not required to obtain licenses from the RBI to open or shift its branches. As per the RBI circular dated October 21, 2013, domestic scheduled commercial banks (other than RRBs) are permitted to open branches in Tier 1 to Tier 6 centres without prior permission from RBI in each case subject to reporting. From September 2005 the process of giving authorization to individual branches was replaced by a system of aggregated approvals on an annual basis. Permission of the RBI is not required for installation of on-site ATMs. Further since June 2009 RBI has permitted installation of off-site ATMs at centres identified by banks, without the need for permission from the RBI in each case.

Additionally, pursuant to a notification dated July 7, 2014 and the issuance of revised guidelines for financial literacy centres dated January 14, 2016, the RBI also set up a reporting system for financial literacy activities conducted by financial literacy centres and rural branches of banks, since rural branches of banks are mandated to conduct a minimum of one financial literacy camp in a month.

Further, RBI has reviewed the instructions regarding merger, closure, shifting, part shifting, opening of extension counters and reporting requirements and issued new instructions with respect to the same pursuant to its circular on ‘Section 23 of the Banking Regulation Act, 1949 - Relaxations in Branch Authorisation Policy’ dated August 6, 2015. RBI has issued revised guidelines on opening of new place of business and transfer of existing places of business dated May 18, 2017. These guidelines are applicable to all domestic scheduled commercial banks (excluding RRBs), small finance banks and payment banks. Domestic SCBs (other than RRBs) are permitted to open, unless otherwise specifically restricted, banking outlets in tier 1 to tier 6 centres without having the need to take permission from RBI in each case, subject to the conditions mentioned therein. A banking outlet has been defined to mean a fixed point service delivery unit, manned by either the bank’s staff or its business correspondent where services of acceptance of deposits, encashment of cheques / cash withdrawal or lending of money are provided for a minimum of four hours per day for at least five days a week. Additionally, banks having general permission may shift, merge or close all ‘banking outlets’ (except rural outlets and sole semi-urban outlets) at their discretion.

### Capital Adequacy Requirements

RBI has issued guidelines based on the Basel III reforms on capital regulation on May 2, 2012, to the extent applicable to banks operating in India. The Basel III capital regulation has been implemented from April 1, 2013 in India in a phased manner. Banks have to comply with the regulatory limits and minima as prescribed under Basel III capital regulations, on an ongoing basis. The below table summarises the capital requirements under Basel III guidelines for banks in India:

| Sr. No. | Regulatory Capital                                           | As % of Risk Weighted Assets (RWAs) |
|---------|--------------------------------------------------------------|-------------------------------------|
| 1       | Minimum Common Equity Tier I (CET I) Ratio                   | 5.50%                               |
| 2       | D-SIB — made up of CET I capital                             | 0.80%                               |
| 3       | Capital Conservation Buffer (CCB) — made up of CET I capital | 2.50%                               |
| 4       | CET I + CCB (1 + 2 + 3)                                      | 8.80%                               |
| 5       | Additional Tier I (AT I) Capital                             | 1.50%                               |
| 6       | Minimum Tier I Capital Ratio (CET I + AT I) = (1 + 5)        | 7.00%                               |
| 7       | Tier II Capital                                              | 2.00%                               |
| 8       | Minimum Total Capital Ratio (Tier I + Tier II) = (6 + 7)     | 9.00%                               |
| 9       | Minimum Total Capital Ratio + CCB + D-SIB = (8 + 2 + 3)      | 12.30%                              |

To ensure smooth transition to Basel III, appropriate transitional arrangements were provided for meeting the minimum Basel III capital ratios, full regulatory adjustments to the components of capital etc. and accordingly, RBI had introduced the master circular on “Basel III Capital Regulations” dated July 1, 2015 (Master Circular No. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015). The Basel III capital regulations were implemented in India with effect from April 1, 2013 and have been fully implemented as on October 1, 2021. Banks have to comply with the regulatory limits and minima as prescribed under Basel III capital regulations, on an ongoing basis.

RBI has thereafter issued revisions to the Master Circular - Basel III Capital Regulations lastly dated April 1, 2025 vide its notification, namely, Master Circular – Basel III Capital Regulations (bearing number RBI/2025-26/08 DOR.CAP.REC.2/21.06.201/2025-26).

### Liquidity coverage ratio

The Basel III framework on ‘Liquidity Standards’ includes ‘Liquidity Coverage Ratio’, ‘Net Stable Funding Ratio’ (“NSFR”) and liquidity risk monitoring tools. In June, 2014, the RBI issued guidelines in relation to liquidity coverage ratio (“LCR”), liquidity risk monitoring tools and LCR disclosure standards pursuant to the publication of the ‘Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools’ in January, 2013 and the ‘Liquidity Coverage Ratio Disclosure Standards’ in January, 2014 by the Basel Committee which provided enhanced guidance on liquidity, risk governance, measurement, monitoring and reporting to the RBI on liquidity positions. The guidelines stipulate that banks were to ensure an LCR of 60% for the calendar year 2015 with effect from January 1, 2015, minimum 90% with effect from January 1, 2018 and were expected

to make a transition to an LCR of 100% on January 1, 2019. In order to accommodate the burden on banks' cash flows on account of the Covid-19 pandemic, RBI vide notification dated April 17, 2020, permitted banks to maintain LCR as under:

|                                             |      |
|---------------------------------------------|------|
| From date of circular to September 30, 2020 | 80%  |
| October 1, 2020 to March 31, 2021           | 90%  |
| April 1, 2021 onwards-                      | 100% |

The notification further provides that banks shall prepare LCR restoration plans upon breach of the LCR requirement set out above, for scrutiny by the RBI's Department of Supervision.

The LCR measures a bank's ability to manage and survive for 30 days under a significant stress scenario that combines idiosyncratic as well as market-wide shock situations that would result in accelerated withdrawal of deposits from retail as well as wholesale depositors, partial loss of secured funding, increase in collateral requirements and unscheduled drawdown of unused credit lines. 100% of the net cash outflows in the next 30 days, computed with these assumptions of a stressed scenario, are required to be supported by High Quality Liquid Assets ("HQLA").

The RBI has permitted banks to reckon Government securities as Level 1 HQLA under FALLCR within the mandatory SLR requirement up to 16 per cent of their NDTL. Accordingly, the total HQLA carve out from the mandatory SLR, which can be reckoned for meeting LCR requirement will be 18 per cent of NDTL (2 per cent MSF plus 16 per cent FALLCR).

### **Prudential framework for resolution of stressed assets**

RBI has, pursuant to its circular dated June 7, 2019 established a new regulatory framework for resolution of stressed assets ("**Revised Framework**"). Pursuant to the Revised Framework, existing guidelines and schemes for debt resolution such as revitalising distressed assets, corporate debt restructuring scheme, flexible structuring of existing long term project loans, strategic debt restructuring ("**SDR**"), change in ownership outside SDR, and scheme for sustainable structuring of stressed assets have been withdrawn. In addition, the guidelines /framework for joint lenders' forum have also been discontinued. According to the Revised Framework, the lenders must identify incipient stress in loan accounts immediately on default by classifying stressed assets as special mention account.

Under the Revised Framework, RBI has introduced a revised framework for resolution of stressed assets, where banks are required to put in place a board approved policy for resolution of stressed assets. Upon the occurrence of a default, banks are required to, within a period of 30 days from the date of such default ("**Review Period**"), review the account of the borrower and determine a strategy for implementing a resolution plan or choose to initiate legal proceedings or recovery. If a resolution plan route is chosen by the lenders during the Review Period, the lenders are required to enter into an inter-creditor agreement to provide rules for finalisation and implementation of the resolution plan and also provide in such inter-creditor agreement that decisions by lenders representing 75% of outstanding facilities and 60% by number shall bind all lenders to the inter-creditor agreement. The resolution plan is to be implemented within 180 days from the end of the Review Period in respect of accounts with aggregate exposure above a threshold (as listed below) with the lenders.

### **Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended, as amended by the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 (the "SARFAESI Act")**

The SARFAESI Act provides for the enforcement of security interest without the intervention of the courts. Under the provisions of the SARFAESI Act, a secured creditor can recover dues from its borrowers by taking any of the measures as provided therein. Rights, with respect to the enforcement of security interest, under the SARFAESI Act cannot be enforced unless the account of the borrower has been classified as an NPA in the books of account of the secured creditor in accordance with the directions or guidelines issued by the RBI or any other applicable regulatory authority. The secured creditors must serve a 60-day notice on the borrower demanding repayment of the amount due and specifying the borrower's assets over which the bank proposes to exercise remedies. If the borrower still fails to pay, the secured creditors, on expiry of the 60-day notice period, can: (i) take possession of the secured assets; (ii) take over the management of the secured assets along with the right to transfer by way of lease, assignment or sale of the secured assets; (iii) appoint any person to manage the secured assets; and (iv) require any person who has acquired any of the secured assets from the borrower to pay amounts necessary to satisfy the debt. The security interests covered by the SARFAESI Act are security interests over immovable and movable property, existing or future receivables, certain intangible assets (such as know-how, patents, copyrights, trademarks, licenses, franchises) and any debt or any right to receive payment of money, or any receiveable, present or future, and in which security interest has been created. In the event that the secured creditor is unable to recover the entire sum due by exercise of the remedies under the SARFAESI Act in relation to the assets secured, such secured creditor may approach the Debt Recovery Tribunal or the relevant court for the recovery of the balance amounts. A secured creditor may also simultaneously pursue its remedies under the SARFAESI Act as well as the Debt Recovery Tribunal.

The SARFAESI Act also provides for sale of financial assets by banks and financial institutions to asset reconstruction companies. The financial assets can be sold to asset reconstruction companies in accordance with the extant guidelines and prudential norms issued by the RBI. As per extant guidelines, a bank may sell only those assets classified as an SMA-2 or an NPA to asset reconstruction companies.

### ***The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 (“ESIRDA Amendment Act”)***

The ESIRDA Amendment Act received Presidential Assent on August 12, 2016. It seeks to amend certain provisions of the SARFAESI, RDB Act, the Indian Stamp Act, 1899 and the Depositories Act, 1996.

The key amendments to the SARFAESI include: (a) Debenture Trustees registered with SEBI have now been included in the definition of ‘secured creditor’ and can take enforcement action under Section 13 of the SARFAESI, as the remedies under SARFAESI have been extended to apply to listed debt securities. The scope of SARFAESI has been widened to include hire purchase, financial leasing and conditional sale transactions; (b) the process of taking possession over collateral against which a loan has been provided by a secured creditor, with the assistance of the Chief Metropolitan Magistrate or District Magistrate, has been made time-bound, requiring an order to be passed within 30 days from the date of the application by the secured creditor; and (c) amendments in relation to registration of security interest have been introduced, including *inter alia* setting up of a central database to integrate records of security registered under various registration systems.

The key amendments to the RDB Act include (a) Debenture Trustees registered with SEBI can initiate proceedings under the RDB Act regarding defaults in listed debt securities; (b) a bank or a financial institution has now been permitted to take proceedings under the RDB Act before a tribunal in whose jurisdiction where the defaulted account is maintained / located; (c) a defendant, upon service of summons under the RDB act, is restricted from transferring the secured assets or other assets disclosed in the application made by the bank of financial institution without the approval of the tribunal, except in the ordinary course of business; and (d) electronic filing of recovery application, documents and written statements has been introduced.

### ***Prevention of Money Laundering Act, 2002 (“PMLA”)***

In order to prevent money laundering activities, the Government enacted the PMLA which seeks to prevent money laundering and to provide for confiscation of property derived from, or involved in money laundering, and for incidental matters connected therewith. Section 12 of the PMLA casts certain obligations on, *inter alia*, banking companies in regard to preservation and reporting of customer account information.

The RBI has advised all banks to go through the provisions of the PMLA and the rules notified thereunder and to take all steps considered necessary to ensure compliance with the requirements of Section 12 of the PMLA.

### **Master Circulars and Directions of Reserve Bank of India**

#### ***The Master Directions - Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2025***

The Master Directions - Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2025 (“**PSL Master Directions**”), as amended from time to time, sets out the broad policy in relation to priority sector lending. Under the PSL Master Directions, RBI requires that every domestic commercial bank excluding RRBs and SFBs and foreign banks with 20 branches and above, extend at least 40.00% of its adjusted net bank credit or the credit equivalent amount of off-balance sheet exposure, whichever is higher, to “priority sectors” such as agriculture, MSMEs, export credit, education, housing, social infrastructure, renewable energy and others as determined by the RBI. Of this, banks have targets or sub-targets of 18%, 7.5% and 12% for lending to agriculture, micro-enterprises and advances to weaker sections respectively

#### ***Exposure norms***

As a prudent measure aimed at better risk management and avoidance of concentration of credit risk, the RBI advised the banks to fix limits on their exposure to specific industry or sectors and has prescribed credit exposure for banks in respect of their lending to individual borrowers and to all borrowers belonging to a single group. In addition, banks are also required to observe certain statutory and regulatory exposure limits in respect of advances against / investments in shares, convertible debentures /bonds, units of equity-oriented mutual funds and all exposures to venture capital funds (“**VCFs**”).

Section 19(2) of the Banking Regulation Act, 1949, restricts a banking company from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less, except as provided in sub-section (1) of Section 19 of the Act.

The aggregate exposure of a bank to the capital markets in all forms (both fund based and non-fund based) should not exceed 40% of its net worth, on both standalone and consolidated basis as on March 31 of the previous year. Within this overall ceiling, the bank’s direct investment in shares, convertible bonds/debentures, units of equity oriented mutual funds and all exposures

to VCFs (both registered and unregistered) should not exceed 20% of its net worth on both standalone and consolidated basis.

On August 25, 2016, the RBI released guidelines on ‘Enhancing Credit Supply for Large Borrowers through Market Mechanism’ with the objective of mitigating the risk posed to the banking system on account of large aggregate lending to a single corporate. As per the framework, exposure to corporate with large borrowing from banking system beyond the prescribed limit would attract additional provisions and higher risk weights.

On June 3, 2019, the RBI released the guidelines on ‘Large Exposures Framework to align the exposure norms for Indian banks’ with the Basel Committee. As per the framework, the sum of all exposure values of a bank to a counterparty or a group of connected counterparties is defined as a ‘Large Exposure (LE)’, if it is equal to or above 10 percent of the bank’s eligible capital base (i.e., Tier 1 capital) and the bank is required to report their LE to the Reserve Bank of India (RBI) and Department of Banking Supervision, Central Office, (DBS, CO). Further, exposure limits to a single counterparty and group of connected counterparties will be 20% (extendable up to additional 5% exposure by the board of the banks during exceptional circumstances) and 25% of available eligible capital base respectively. Further, RBI vide its notification dated September 12, 2019 prescribes that bank’s exposure to a single NBFC (excluding gold loan companies) will be restricted to 20 percent of that bank’s eligible capital base. Banks’ exposures to a group of connected NBFCs or group of connected counterparties having NBFCs in the group will be restricted to 25 percent of their Tier I Capital.

### ***Central Repository of Information on Large Credits***

The RBI has vide its circular dated May 22, 2014, set up the Central Repository of Information on Large Credits (“**CRILC**”) to collect, store and disseminate data on all borrowers’ credit exposures including ‘special mention accounts’ (SMA 0, 1 and 2) having aggregate fund-based and non-fund based exposure of ₹ 50 million and above. The CRILC is designed entirely for supervisory purposes and its focus is on the reporting entities’ exposure to the borrower (as individual and/or as a group) under various heads, such as bank’s exposure to a large borrower; the borrower’s current account balance; bank’s written-off accounts; and identification of non-cooperative borrowers, among others. Further, the CRILC system started with information on SMA2 (default for 61-90 days) to be submitted on as and when basis i.e., whenever repayment for a large borrower’s account becomes overdue for 61 days it is to be reported by the bank immediately.

Further, in terms of RBI circular dated June 7, 2019, all banks are required to report to CRILC, on a monthly basis, exposures of individuals and entities having exposure (both fund and non-fund based) of ₹ 50 million and above. Banks are also required to report to CRILC, on a weekly basis for all borrower entities in default, having aggregate exposure of more than ₹50 million. In addition, banks are required to report to CRILC the classification of an account to ‘special mention account’ in respect of borrower entities having aggregate exposure of more than ₹ 50 million. Any non-submission of or incorrect reporting in these returns attracts penalties as specified in the Banking Regulation Act.

### ***Short selling of Government securities***

As per the Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 dated September 12, 2023, Banks may undertake short sale transactions in Government securities provided it is in accordance with the requirements of Short Sale (Reserve Bank) Directions, 2018 as amended from time to time

### ***Regulations relating to interest rates on deposits and advances***

The RBI has issued Reserve Bank of India – (Interest rate on Deposits) Directions, 2016 dated March 3, 2016 (updated as of June 7, 2024) Scheduled commercial banks are required to pay interest on deposits of money (other than current account deposits) accepted by them or renewed by them in their domestic, ordinary non-resident (NRO), non-resident (external) accounts (NRE) and foreign currency (non-resident) accounts (banks) scheme deposit account), subject to certain conditions prescribed in the directions. Further, certain additional restrictions have been prescribed to determine interest rates for savings deposits and term deposits. Additionally, interest rates offered by banks on NRO and NRE deposits cannot be higher than those offered by them on comparable domestic rupee term deposits.

The RBI has issued Reserve Bank of India – (Interest rate on Advances) Directions, 2016 dated March 3, 2016 (updated as of September 12, 2023). Scheduled commercial banks shall charge interest on advances on the terms and conditions specified in these directions. Further, the bank shall have freedom to offer all categories of advances on fixed or floating rates. There shall be no lending below the benchmark rate for a particular maturity for all loans linked to that benchmark.

### ***Deposit insurance***

Demand and time deposits of up to ₹ 5,00,000 accepted by all commercial banks including branches of foreign banks functioning in India, local area banks and regional rural banks are insured by Deposit Insurance and Credit Guarantee Corporation, a wholly owned subsidiary of the RBI. Each depositor in a bank is insured up to a maximum of ₹ 500,000 for both principal and interest amount held by him in the same right and same capacity as on the date of liquidation/cancellation of

bank's license or the date on which the scheme of amalgamation / merger / reconstruction comes into force. Banks are required to pay the insurance premium for the eligible amount to the Deposit Insurance and Credit Guarantee Corporation on a half yearly basis. The cost of the insurance premium cannot be passed on to the customer and is borne entirely by the bank.

### ***Regulations relating to Know Your Customer (“KYC”) and anti-money laundering***

The RBI issued the Reserve Bank of India Master Direction-Know Your Customer (KYC) Directions, 2016 (“**KYC Directions**”) on February 25, 2016, prescribing the guidelines for KYC and anti-money laundering procedures. Banks are required to formulate a KYC policy which shall include (i) customer acceptance policy, (ii) customer identification procedures, (iii) monitoring of transactions and (iv) risk management. In relation to each of the above, the master direction also specifies minimum procedures required to be followed by banks. Banks are not permitted to make payment of cheques/drafts/pay orders/banker's cheques if they are presented beyond the period of three months from the date of such instrument.

Banks have been advised to ensure that systems and procedures are in place to control financial frauds, identify money laundering or financing of terrorism activities and suspicious activities and monitor high value cash transactions. Banks shall carry out ‘Money Laundering (ML) and Terrorist Financing (TF) Risk Assessment’ exercise periodically to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk and our Bank is in the process of issuing RFP for outsourcing of the said risk assessment, suggesting mitigation measures. Further, banks have also been advised to ensure that adequate policies are formulated and adopted in relation to KYC and Anti Money Laundering.

### ***Regulations relating to maintenance of statutory reserves***

A bank is required to maintain, on a daily basis, Cash Reserve Ratio (“**CRR**”), which is a specified percentage of its Net Demand and Time Liabilities (“**NDTL**”), excluding interbank deposits, by way of a balance in a current account with the RBI. The RBI does not pay any interest on CRR balances. The CRR has to be maintained on an average basis for a fortnightly period and the minimum daily maintenance of the CRR should be 90% of the requirement. The RBI may impose penal interest at the rate of 3% above the bank rate on the amount by which the reserve falls short of the CRR required to be maintained on a particular day and if the shortfall continues further, the penal interest charged shall be increased to a rate of 5% above the bank rate in respect of each subsequent day, during which the default continues.

In addition to the CRR, a bank is required to maintain Statutory Liquidity Ratio (“**SLR**”), a specified percentage of its NDTL, by way of liquid assets like cash, gold or approved unencumbered securities. The percentage of this liquidity ratio is fixed by the RBI from time to time, pursuant to Section 24 of the Banking Regulation Act. At present, the required SLR is 18%.

Further, the RBI has permitted banks to avail funds from the RBI on an overnight basis, under the Marginal Standing Facility (“**MSF**”), against their excess SLR holdings. Additionally, they can also avail themselves of funds, on an overnight basis below the stipulated SLR, up to 2% of their respective NDTL outstanding at the end of the second preceding fortnight.

The RBI requires the banks to create a reserve fund to which it must transfer not less than 25 per cent of the net profit of each year before declaring dividends. Unless specifically allowed by extant regulations, the Bank is required to take prior approval from the Reserve Bank of India before any appropriation is made from the Statutory Reserve. Further, the Bank is required to establish a reserve fund in accordance with Section 37 of the SBI Act.

### ***Regulations relating to authorized dealers for foreign exchange and cross-border business transactions***

The foreign exchange and cross border transactions undertaken by banks, both on its own account and also on behalf of customers, are subject to the provisions of FEMA and rules/ regulations/ directions and notifications issued thereunder. The Bank is required to monitor all non-resident accounts and cross border transactions to prevent money laundering. RBI may impose penalty for contravention of Foreign Exchange Management Act and regulations/ notifications issued there under, or for contravention of any conditions, subject to which an authorization is issued by the RBI.

The RBI has issued the Master Direction on Risk Management and Interbank Dealings, dated July 5, 2016 to regulate foreign exchange derivative contracts, overseas commodity and freight hedging, rupee accounts of non-resident banks and inter-bank foreign exchange dealings.

### ***Ownership restrictions***

Foreign investment in India is governed by the provisions of FEMA along with the rules, regulations and notifications made by the RBI thereunder, and the Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, from time to time. Under the current FDI Policy, investment in public sector banks up to 20.00% is permitted under the government approval route. In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI including its investor group (which means the same multiple entities registered as foreign portfolio investors having common ownership directly or indirectly of more than 50.00% or common control) must be below 10.00% of the Bank's post-Issue paid-up equity share capital on a fully diluted basis. Further, in terms of the FEMA Rules, the total holding by

each FPI, or an investor group, shall be below 10.00% of the total paid-up equity share capital, on a fully diluted basis, of the Bank, and the total holdings of all FPIs put together can be up to 20.00% of the paid-up equity share capital of the Bank, which is the sectoral cap applicable to the Bank.

As per the SEBI FPI Regulations and the relevant circulars issued thereunder, the above investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Notes. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments in the Bank. See “Offshore Derivative Instruments.

Further, SEBI has, through a circular dated April 5, 2018, put in place a system for monitoring foreign investment limits in listed Indian companies, and, by a circular dated May 17, 2018, SEBI has directed that the system be made operational from June 1, 2018. Accordingly, each listed Indian company shall have to appoint any one depository as its designated depository to facilitate the monitoring of the foreign investment limits.

Additionally, the DPIIT by way of press note no. 3 (2020 series) amended the FEMA Regulations by restricting foreign direct investments by an entity of any country which shares a border with India or where the beneficial owner of an investment into India is situated in or is a citizen of such country, only through the Government approval.

#### ***Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021***

Securitisation involves transactions where credit risk in assets are redistributed by repackaging them into tradeable securities with different risk profiles which may give investors of various classes access to exposures which they otherwise might be unable to access directly. Keeping in view that complicated and opaque securitisation structures could be undesirable from the point of view of financial stability, prudentially structured securitisation transactions can be an important facilitator in a well-functioning financial market in that it improves risk distribution and liquidity of lenders in originating fresh loan exposures, the RBI issued the RBI (Securitisation of Standard Assets) Directions, 2021 *vide* its circular dated September 24, 2021(updated as on December 5, 2022),which are applicable to all the scheduled commercial banks in India.

#### ***Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021***

Loan transfers are resorted to by lending institutions for multitude of reasons ranging from liquidity management, rebalancing their exposures or strategic sales. A robust secondary market in loans can be an important mechanism for the management of credit exposures by lending institutions and also create additional avenues for raising liquidity. Thus, RBI *vide* its circular dated September 24, 2021, notified RBI (Transfer of Loan Exposures) Directions, 2021 which is a comprehensive set of regulatory guidelines governing the transfer of loan exposures, which are applicable to all the scheduled commercial banks in India.

Master Direction on Transfer of Loan Exposure was amended to inter alia permit overseas branches of specified lenders to (a) acquire only ‘not in default’ loan exposures from a financial entity operating and regulated as a bank in the host jurisdiction; (b) transfer exposures ‘in default’ as well as ‘not in default’ pertaining to resident entities to a financial entity operating and regulated as a bank in the host jurisdiction; and (c) transfer exposures ‘in default’ as well as ‘not in default’ pertaining to non-residents, to any entity regulated by a financial sector regulator in the host jurisdiction. Amendments have also been made in certain provisions related to minimum holding period (MHP), valuation of security receipts (SRs), transfer of stressed loans to ARCs, and credit/ investment exposure of lenders. Additionally, the term ‘Economic Interest’ has now been explicitly defined as ‘the risks and rewards that may arise out of loan exposure through the life of the loan exposure’.

#### ***Downstream investment by banks-***

In accordance with Rule 23 of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, downstream investments made by a banking company, as defined in section 5(c) of the Banking Regulation Act, incorporated in India, which is owned or controlled by non-residents/non-resident entity, under corporate debt restructuring, or other loan restructuring mechanism, or in trading books, or for acquisition of shares due to defaults in loans, shall not count towards indirect foreign investment. However, their 'strategic downstream investment' shall count towards indirect foreign investment. For this purpose, 'strategic downstream investments' would mean investment by these banking companies in their subsidiaries, joint ventures, and associates.

#### ***Regulation of financial services provided by banks***

The Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 dated May 26, 2016 as updated on August 10, 2021 require banks to comply with certain restrictions while undertaking financial services including in relation to risk mitigation measures, limits on investment that can be made by banks in companies undertaking financial services. The directions also provide for specific regulations for certain financial services such as, *inter alia*, setting of an infrastructure debt fund, underwriting activities, mutual fund business, insurance.

### ***Guidelines on management of intra-group transactions and exposures***

The RBI issued the “Guidelines on Management of Intra-Group Transactions and Exposures” on February 11, 2014. Pursuant to the said guidelines, the RBI has prescribed quantitative limits on financial intra-group transactions and exposures and prudential measures for the non-financial intra-group transactions and exposures. These guidelines also require that all intra-group transactions to be at “arms-length”.

The objective of these guidelines is to ensure that banks engage in intra-group transactions and exposures in safe and sound manner in order to contain concentration and contagion risks arising out of such transactions.

### ***Capital and provisioning requirements for exposures to entities with unhedged foreign currency exposure***

The RBI issued a circular relating to “Reserve Bank of India (Unhedged Foreign Currency Exposure) Directions, 2022” on October 11, 2022. Pursuant to these guidelines, the RBI has introduced incremental provisioning and capital requirements for bank exposures to entities with unhedged foreign currency exposures. The circular also lays down the method of calculating the incremental provisioning and capital requirements. The banks will be required to calculate the incremental provisioning and capital requirements at least on a quarterly basis. This framework became fully effective from January 1, 2023.

### ***Revised Prompt Corrective Action (PCA) framework for banks***

The RBI vide its circular dated April 13, 2017 had reviewed and revised the Prompt Corrective Action (PCA) framework for banks, which was effective from April 1, 2017. Further, RBI vide its circular dated November 2, 2021, stated that the existing PCA Framework has further been revised and the new provisions will be effective from January 1, 2022. The PCA framework sets out certain ‘risk thresholds’, the breach of which would mandate the relevant bank to implement certain mandatory and discretionary actions. The ‘risk thresholds’ take into consideration the capital adequacy ratio, net non-performing advances ratio and the leverage ratio of the relevant bank.

### ***Integrated Ombudsman Scheme, 2021 (“Banking Ombudsman Scheme”)***

The Banking Ombudsman Scheme provides the extent and scope of the authority and functions of the banking ombudsman for redressal of grievances against deficiency in banking services, concerning loans and advances and other specified matters and has gone through various amendments to provide for revised procedures for redressal of grievances by a complainant under the scheme and to broaden the scope of complaints addressed by the banking ombudsman..

### ***Classification and Reporting of Fraud Cases***

RBI has issued Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions vide circular no. RBI/ DOS/ 2024-25/ 118/ DOS.CO.FMG.SEC.No.5/ 23.04.001/ 2024-25 dated July 15, 2024. The fraud cases have been classified into misappropriation and criminal breach of trust, fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property, cheating by concealment of facts with the intention to deceive any person and cheating by impersonation, forgery with the intention to commit fraud by making any false documents/electronic records, wilful falsification, destruction, alteration, mutilations of any book, electronic record, paper, writing, valuable security or account with intent to defraud, fraudulent credit facilities extended for illegal gratification, cash shortages on account of frauds, fraudulent transactions involving foreign exchange, fraudulent electronic banking/ digital payment related transactions committed on banks; and other type of fraudulent activity not covered under any of the above.

The Senior Management shall be responsible for implementation of the fraud risk management policy approved by the Board of the bank. A periodic review of incidents of fraud shall also be placed before Board / Audit Committee of Board (ACB), as appropriate, by the Senior Management of the bank.

### ***Issue of Long Term Bonds by Banks - Financing of Infrastructure and Affordable Housing***

In order to ensure adequate credit flow to infrastructure sector also towards the affordable housing needs of the country, RBI issued guidelines on issue of long term bonds by banks on July 15, 2014 (“Infrastructure and Affordable Housing Guidelines”), amended from time to time. Banks can issue long-term bonds with a minimum maturity of seven years to raise resources for lending to (i) long term projects in infrastructure sub-sectors, and (ii) affordable housing. As a regulatory incentive, these bonds exempted from computation of net demand and time liabilities and would therefore not be subjected to CRR / SLR requirements subject to certain conditions. Eligible bonds will also get exemption in computation of ANBC for the purpose of priority sector lending (“PSL”).



### ***Marginal Cost of Funds based Lending Rate (MCLR)***

Pursuant to the notification issued by RBI dated December 17, 2015, all rupee loans sanctioned and credit limits renewed w.e.f. April 1, 2016 were priced with reference to the MCLR which is the internal benchmark for such purposes. MCLR comprises of: (a) marginal cost of funds; (b) negative carry on account of CRR; (c) operating costs and; (d) tenor premium.

In terms of the notification, the board of directors of the banks is required to adopt a policy delineating the components of spread charged to a customer. Actual lending rates are to be determined by adding the components of spread to the MCLR.

### ***External benchmark-based lending***

The RBI *vide* circular dated September 4, 2019 (as amended from time to time) mandated that all new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans extended by banks to Micro and Small Enterprises from October 1, 2019 and floating rate loans to Medium Enterprises from April 1, 2020 extended by banks shall be linked to external benchmarks. Banks are free to offer such external benchmark linked loans to other types of borrowers as well.

In furtherance of the same, the said new floating rate shall be benchmarked to one of the following: (1) RBI's policy repo rate; (2) Government of India 3-Months Treasury Bill yield published by the Financial Benchmarks India Private Limited ("FBIL"); (3) Government of India 6-Months Treasury Bill yield published by the FBIL; and (4) Any other benchmark market interest rate published by the FBIL.

The adoption of multiple benchmarks by the same bank is not allowed within a loan category. Banks are free to decide the spread over the external benchmark, subject to the conditions specified in the aforesaid circular. The interest rate under external benchmark shall be reset at least once in three months.

### ***Implementation of Indian Accounting Standards ("Ind AS")***

The MCA notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015, pursuant to which the banking companies were exempted to comply with Ind AS for preparation of financial statements. However, in terms of the MCA press release dated January 18, 2016, the scheduled commercial banks are required to prepare Ind AS based financial statements on consolidated and standalone basis in relation to accounting period beginning from April 1, 2018 onwards, with comparatives for the period ending March 31, 2018 or thereafter and not even voluntarily before that, which was deferred to financial year 2019-20 *vide* RBI's Press Release (2017-18/2642) dated April 5, 2018. Subsequently, Ind AS implementation has been deferred by RBI *vide* their notification dated March 22, 2019, till further notice. Further, as per RBI directive, the Audit Committee of the Board (ACB) shall oversee the progress of the Ind AS implementation process and report to the Board of Directors on quarterly basis. The Audit Committee of the Board and Board is being apprised of the progress made on quarterly basis.

RBI *vide* email dated July 20, 2018 advised the banks to submit Proforma Ind AS Financial Statements (PIFS) every quarter, starting from the quarter ended June 30, 2018 as per the format /template provided by them. RBI stated that these Proforma Financial Statements are for regulatory analysis purpose only and may not necessarily be completely Ind AS compliant or indicative of the final format to be specified in the Third Schedule to the Banking Regulation Act, 1949. RBI *vide* e-mail dated August 8, 2021, advised banks to submit Proforma Ind AS Financial Statements on half yearly basis. Bank is submitting the Proforma Ind AS Financial Statements to the RBI as per prescribed periodicity within stipulated time.

### ***Master Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances dated April 1, 2025 ("Prudential Norms")***

An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank. The Prudential Norms further, specify the timeline within which specific assets are to be considered non-performing. Once the account has been classified as a non-performing asset, the unrealized interest and other income already debited to the account is derecognized and further interest is not recognized or credited to the income account unless collected in cash. The Prudential Norms require banks to further classify NPAs into the following three categories based on the period for which the asset has remained non-performing and the realisability of the dues (i) sub-standard assets; (ii) doubtful assets; and (iii) loss assets. These norms also specify provisioning requirements specific to the classification of the assets.

The banks should maintain provisioning coverage ratio, including floating provisions, of at least 70.00%. In case of restructuring, the accounts classified as 'standard' shall be immediately downgraded as non-performing assets. Scheduled commercial banks shall report credit information, including classification of an account as SMA to Central Repository of Information on Large Credits ("CRILC"), on all borrowers having aggregate exposure of ₹5 crore and above with them. Banks must put in place Board-approved policies for resolution of stressed assets, including the timelines for resolution. Since default with any lender is a lagging indicator of financial stress faced by the borrower, it is expected that the lenders initiate the process of implementing a resolution plan (RP) even before a default.

In any case, once a borrower is reported to be in default by any of the lenders, lenders shall undertake a *prima facie* review of

the borrower account within thirty days from such default. Any action by the Banks with an intent to conceal the actual status of accounts or evergreen the stressed accounts, will be subjected to stringent supervisory / enforcement actions as deemed appropriate by the Reserve Bank, including, but not limited to, higher provisioning on such accounts and monetary penalties.

### **Regulations and Guidelines of the SEBI**

SEBI was established in 1992 in accordance with the provisions of the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) to protect the interests of public investors in securities and to promote the development of, and to regulate, the Indian securities market including all related matters. The SEBI Act also provides for the registration and regulation of the function of various market intermediaries including stock brokers, depository participants, merchant bankers, portfolio managers, investment advisers and research analysts. Pursuant to the SEBI Act, SEBI has formulated various rules and regulations to govern the functions and working of these intermediaries. SEBI also issues various circulars, notifications and guidelines from time to time in accordance with the powers vested with it under the SEBI Act.

SEBI has the power to impose (i) monetary penalty under the SEBI Act and the regulations made thereunder, and (ii) penalties prescribed under the SEBI Intermediaries Regulations including suspending or cancelling the certificate of registration of an intermediary and to initiate prosecution under the SEBI Act. Further, SEBI has the power to conduct inspection of all intermediaries in the securities market, including, stock brokers, sub brokers, investment advisers, merchant bankers, research analysts, to ensure, amongst others, that the books of account are maintained in the manner required in accordance with applicable law.

We are subject to regulations prescribed by SEBI in respect of capital issuances as well as some of our activities, including acting as agent for collecting subscriptions to public offerings of securities made by other Indian companies, custodial, depository participant, and investment banking and because our Equity Shares are listed on Indian stock exchanges. These regulations provide for registering with SEBI, the functions, responsibilities, and the code of conduct applicable for each of these activities.

### **Reserve Bank of India’s (Digital Lending) Directions, 2025 (“Digital Directions”)**

The Digital Directions issued by RBI on May 8, 2025 are applicable to digital lending extended by (a) all commercial banks, (b) primary (urban) co-operative banks, state co-operative banks, district central co-operative banks, and (c) non – banking financial companies (including house finance companies).

The Digital Directions require, among other things: (a) all loan disbursements and repayments to be executed only between the bank accounts of the borrower and the regulated entity without any pass-through/ pool account of the loan service provider or any third party; (b) all digital loans to be disclosed to the borrower; (c) a cooling-off period to be provided to borrowers, during which the borrowers can exit digital loans by paying the principal and the proportionate costs without any penalty; (d) the appointment of a nodal grievance redressal officer by loan service providers; and (e) reporting of loans to credit information companies. Additionally, the recommendations have noted some issues for further examination by the RBI, which may be incorporated into the Guidelines on Digital Lending in the future.

### **Reserve Bank of India’s Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021**

The RBI issued the guideline for appointment/re-appointment of SCAs/ SAs of the entities on April 27, 2021 superseding all the previous guidelines as annexed in the guidelines. The guidelines are applicable to commercial banks (excluding RRBs), UCBs and NBFCs including HFCs for financial year 2021-22 and onwards. UCBs and NBFCs shall have the flexibility to adopt the guidelines from second half of financial year 2021-22 in order to ensure that there is no disruption. Under the guidelines, Commercial Banks and UCBs will be required to take prior approval of RBI for the appointment of SCAs/ SAs on annual basis.

It also specifies the maximum number of SCAs/ SAs to be appointed by the board based on the asset size of the entity. Entities are required to appoint audit firms as it SCAs/ SAs fulfilling the eligibility norms and independence of auditors requirements as prescribed under these directions. Other criteria’s including eligibility for appointment based on the asset size of the entity being audited (as on March 31 of the previous year), professional standards for discharge of audit responsibilities, tenure and rotation, and audit fees and expenses for SCAs/ SAs have been provided. Each entity is required to formulate a board approved policy to be hosted on its official website/ public domain and formulate necessary procedure thereunder to be followed for appointment of SCAs/ SAs.

### **Other laws**

In addition to the above, our Bank is also required to comply with the provisions of other applicable statutes imposed by the Central or the State Government and other authorities for our day-to-day business and operations. Our Bank is also amenable to various central and state tax laws.

## ISSUE PROCEDURE

*Below is a summary, intended to provide a general outline of the procedures for the Bidding, payment of Bid amount, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and prospective Bidders are presumed to have apprised themselves of the same from our Bank or the Book Running Lead Managers.*

*Our Bank, the Book Running Lead Managers and their respective directors, officers, agents, affiliates, shareholders, employees, counsel and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Bidders were advised to make their independent investigations and satisfy themselves that they were eligible to apply. Bidders were advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Preliminary Placement Document or this Placement Document. Further, Bidders were required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.*

*Bidders were and are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Also see “Selling Restrictions” and “Transfer Restrictions” on pages 224 and 233, respectively.*

*Bidders that applied in the Issue were required to confirm and have been deemed to have represented to our Bank, the Book Running Lead Managers and their respective directors, officers, agents, affiliates, shareholders, employees, counsel and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Bank, the Book Running Lead Managers and their respective directors, officers, agents, affiliates, shareholders, employees, counsel and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Equity Shares. For details, see the sections titled, “Selling Restrictions” and “Transfer Restrictions” beginning on pages 224 and 233, respectively.*

### Qualified Institutions Placement

**THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.**

The Preliminary Placement Document and this Placement Document have not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue has been made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations through the mechanism of a qualified institutions placement (“QIP”). Under Chapter VI of the SEBI ICDR Regulations, our Bank, being a listed entity in India may issue Equity Shares to Eligible QIBs, provided that:

- a special resolution approving the qualified institutions placement has been passed by its shareholders. Such special resolution must *inter alia* specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the QIP and (b) the Relevant Date;
- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Bank, which are proposed to be allotted through the Issue, are listed on the recognized Stock Exchanges that has nation-wide trading terminals, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution;
- invitation to apply in the Issue must be made through a private placement offer-cum-application (i.e., the Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue was made;
- issuance and allotment of Equity Shares shall be done in dematerialised form only;
- an offer to Eligible QIBs was not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., the Preliminary Placement Document), our Bank was required to prepare and record a list of Eligible QIBs to whom the offer was made. The offer was required to be made only to such Eligible QIBs whose names are recorded by our Bank prior to the invitation to subscribe; and

- our Bank shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue; and
- the Directors are not fugitive economic offenders.

At least 10% of the equity shares issued to Eligible QIBs was required to be made available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

The Bank has received approval dated June 20, 2025 from the Department of Financial Services, Ministry of Finance, Government of India for undertaking the Issue, provided that the shareholding of the Government of India shall not fall below 52%.

The above approval is subject to the following conditions as provided in the approval letter from the Ministry of Finance, Department of Financial Services, Government of India dated June 20, 2025:

1. FDI Policy conditionalities (including, inter alia, paragraph 5.2(a) of the Policy, which provides that the FDI allowed is subject to applicable laws/ regulations) and other Sectoral Regulations/ Guidelines.
2. Claim of any tax relief under the Income-Tax Act, 1961 or the relevant Double Taxation Avoidance Agreement (DTAA) will be examined independently by the tax authorities to determine the eligibility and extent of such relief and the approval of the Department of Financial Services by itself will not amount to any recognition of eligibility for giving such relief.
3. Department of Financial Services approval by itself does not provide any immunity from tax investigations to determine whether specific or general anti-avoidance rules apply.
4. The fair market value of various payments, services, assets, shares etc., determined in accordance with extent guidelines shall be examined by the tax authorities under the tax laws and rules in force and may be varied accordingly for tax purposes; and
5. The taxation of dividend, future capital gains on alienation of shares by the foreign investor, interest income and income of any other nature shall be examined by the field formation in accordance with the provision of Income-Tax Act, 1961 and DTAA applicable to the facts of the case.

Bidders were not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued pursuant to this Issue could not have been less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations.

The “Relevant Date” referred to above means the date of the meeting in which the Board or the Committee of Directors decided to open the Issue and “stock exchange” means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

The Equity Shares will be Allotted within 365 days from the date of the shareholders’ resolution approving the Issue, being June 13, 2025 and within 60 days from the date of receipt of Bid Amount from the Successful Bidders. For details of refund of Bid Amount, see “– Pricing and Allocation – Designated Date and Allotment of Equity Shares” on page 220.

Subscription to the Equity Shares offered pursuant to the Issue was required to be made by Eligible QIBs on the basis of the Preliminary Placement Document and this Placement Document that contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Bank with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer has been made to the public or to any other category of investors. Please note that if you did not receive a serially numbered copy of the Preliminary Placement Document or this Placement Document addressed to you, you should not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the Stock Exchanges or our Bank for making an application to subscribe to Equity Shares pursuant to the Issue.

This Issue was authorized and approved by the Board on May 3, 2025 and approved by the Shareholders in the general meeting held on June 13, 2025. The Bank has also obtained the necessary consents, approvals and authorisations required in connection with the Issue, including the approval from the Ministry of Finance, Department of Financial Services, Government of India dated June 20, 2025 and RBI dated April 1, 2025.

The minimum number of Allottees with respect to a QIP shall at least be:

- a. two, where the issue size is less than or equal to ₹2.50 billion; and
- b. five, where the issue size is greater than ₹2.50 billion.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes “same group” or “common control”, see “—*Bid Process—Application Form*” on page 216.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on a recognised stock exchange.

**Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue. AIFs and VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules were not permitted to participate in the Issue.**

We have applied for and received the in-principle approvals of from both BSE and NSE each on July 16, 2025, under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares on the Stock Exchanges. We have filed a copy of the Preliminary Placement Document and this Placement Document with the Stock Exchanges.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws of the United States and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are qualified institutional buyers (as defined in Rule 144A) pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act, and (b) outside the United States in offshore transactions in reliance upon Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. There will be no public offering of the Equity Shares in the United States. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under the applicable Indian regulations and referred to in this Placement Document as “QIBs”. The Equity Shares are transferable only in accordance with the restrictions described under the sections “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 224 and 233 respectively.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

#### **Issue Procedure**

1. On the Bid / Issue Opening Date, our Bank in consultation with the Book Running Lead Managers had circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to Eligible QIBs. The Application Form had been specifically addressed to each such Eligible QIB. Our Bank was required to maintain records of the Eligible QIBs to whom the Preliminary Placement Document and the serially numbered Application Form were dispatched.
2. The list of Eligible QIBs to whom the Preliminary Placement Document and the Application Form was delivered, and to whom this Placement Document will be delivered, was determined by our Bank in consultation with the Book Running Lead Managers at their sole discretion. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which included the details of the bank account wherein the Bid Amount was to be deposited, had been addressed to a particular Eligible QIB, no invitation to make an offer to subscribe was deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer was deemed to have been made to such person and any application that did not comply with this requirement was treated as invalid and was rejected. The Application Form could have been signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB was required to submit an unsigned copy

of the Application Form, as long as the Bid Amount was paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form was submitted by an Eligible QIB, whether signed or not, and the Bid Amount had been transferred to the Escrow Account, such Application Form constituted an irrevocable offer and could not have been withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids were being made on behalf of the Eligible QIB and the Application Form is unsigned, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so.

3. Eligible QIBs were required to submit a duly completed Application Form, including any revisions thereof along with the Bid Amount (which is to be transferred to the Escrow Account specified in the Application Form) and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/Issue Period to the Book Running Lead Managers.
4. QIBs were required to indicate the following in the Application Form:
  - full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details, phone number and bank account details;
  - number of Equity Shares Bid for;
  - price at which they were agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;
  - details of the beneficiary account maintained with the Depository Participant to which the Equity Shares should be credited;
  - Equity Shares held by the Eligible QIBs in our Bank prior to the Issue;
  - that it has agreed to certain other representations set forth in the Application Form; and
  - a representation that it is either (i) outside the United States acquiring the Equity Shares in an offshore transaction under Regulation S, or (ii) a “qualified institutional buyer” as defined in Rule 144A, and it has agreed to certain other representations set forth in the “Representations by Investors” on page 5 and “Transfer Restrictions” on page 233 and certain other representations made in the Application Form.

*Note: Eligible FPIs were required to indicate the SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds specifically stated the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid could have been made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund were not treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid had made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

5. Eligible QIBs were required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of “Escrow Account State Bank of India QIP 2025” with the Escrow Agent, within the Bid/Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares was required to be made from the bank accounts of the relevant Bidders and our Bank was required to keep a record of the bank account from where such payment has been received. Bid Amount payable on Equity Shares to be held by joint holders was required to be paid from the bank account of the person whose name appeared first in the Application Form. Until Allotment, and receipt of final listing and trading approvals from the Stock Exchanges, Bid Amount received for subscription of the Equity Shares shall be kept by the Bank in a separate bank account with a scheduled bank. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowered or withdrew their Bid after submission of the Application Form but prior to the Bid Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in “– Refunds” on page 220.
6. Once a duly completed Application Form was submitted by a Bidder and the Bid Amount had been transferred to the Escrow Account, such Application Form constituted an irrevocable offer and the Bid could not be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount was required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised

Bid. The Issue Closing Date was notified to the Stock Exchanges and the Eligible QIBs were deemed to have been given notice of such date after receipt of the Application Form.

7. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, on or after the Issue Closing Date, our Bank has, in consultation with the Book Running Lead Managers, determined the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue. Upon such determination, the Book Running Lead Managers will send the serially numbered CANs, along with serially numbered copies of this Placement Document, in electronic form only, to the successful Bidders who have been Allocated the Equity Shares. The dispatch of a CAN, and this Placement Document to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN contains details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Allocation was at the absolute discretion of our Bank, in consultation with the Book Running Lead Managers.**
8. Upon dispatch of the serially numbered CAN and this Placement Document, our Bank shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Bank will inform the Stock Exchanges of the details of the Allotment.
9. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Bank shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.
10. After receipt of the listing approvals of the Stock Exchanges, our Bank shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.
11. Our Bank will then apply for the final trading approvals from the Stock Exchanges.
12. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.
13. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Bank may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Bank and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Bank.

### **Eligible Qualified Institutional Buyers**

Only QIBs as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations, and not otherwise restricted from participating in the Issue under the applicable laws, including the SEBI ICDR Regulations and are residents of India or are Eligible FPI participating through Schedule II of the FEMA Rules were eligible to invest in the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules were considered as Eligible QIBs and were eligible to invest in this Issue, in accordance with the applicable law. AIFs or VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules or FVCIs, multilateral or bilateral development financial institutions were not permitted to participate in this Issue.

The definition of a QIB as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations includes:

- mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with the SEBI;
- a foreign portfolio investor other than individuals, corporate bodies and family offices, registered with the SEBI;
- a public financial institution;
- a scheduled commercial bank;
- multilateral and bilateral development financial institution;
- a state industrial development corporation;

- an insurance company registered with the Insurance Regulatory and Development Authority of India;
- a provident fund with minimum corpus of ₹250 million;
- a pension fund with minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
- insurance funds set up and managed by army, navy or air force of the Union of India; and
- insurance funds set up and managed by the Department of Posts, India; and
- systemically important non-banking financial companies.

**ELIGIBLE FPIs WERE PERMITTED TO PARTICIPATE IN THIS ISSUE UNDER SCHEDULE II OF FEMA NON-DEBT RULES. ELIGIBLE FPIs WERE PERMITTED TO PARTICIPATE IN THIS ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DOES NOT EXCEED SPECIFIED LIMIT AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIs WERE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.**

Please note that participation by non-residents in the Issue was restricted to participation by Eligible FPIs through the portfolio investment scheme under Schedule II of the FEMA Rules, subject to the limits prescribed under the SEBI FPI Regulations and the FEMA Rules.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or more of the post-Issue equity share capital of our Bank, and the total holding of all FPIs, collectively, shall not exceed 20% of the paid-up equity share capital of our Bank. Further, if any FPI holds 10% or more of the Equity Share capital of our Bank, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

Allotments made to Eligible QIBs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. In terms of FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all FPIs shall be included. In accordance with the Consolidated FDI Policy, the total foreign ownership in our Bank, a public sector bank, cannot exceed 20% of the paid-up capital.

As of March 31, 2025, the aggregate FPI shareholding in our Bank is 9.86% of our Bank's paid up Equity Share capital (on a fully diluted basis). For further details, see "*Principal Shareholders and Other Information*" beginning on page 194.

#### **Restriction on Allotment**

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being a promoter, or any person related to, the promoter. Eligible QIBs, which have all or any of the following rights, shall be deemed to be persons related to the promoter:

- rights under a shareholders' agreement or voting agreement entered into with the promoter or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on our Board.

Provided, however, that an Eligible QIB which does not hold any equity shares in our Bank and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoter.

**Our Bank, the Book Running Lead Managers and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors, associates or affiliates shall not be liable for any amendment or modification**



or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs were advised to make their independent investigations and satisfy themselves that they were eligible to apply. Eligible QIBs were to ensure that any single application from them did not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Preliminary Placement Document and this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations, and ensure compliance with applicable laws.

**A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of under subscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.**

*Note: Affiliates or associates of the Book Running Lead Managers who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

In terms of the Section 11 of the SBI Act, no shareholder of the Bank, other than the Government of India, shall be entitled to exercise voting rights in respect of any shares held by him in excess of 10% of the issued capital. However, provided that such shareholder shall be entitled to exercise voting rights at such higher percentage as the Central Government may, after consultation with the Reserve Bank, specify.

## **Bid Process**

### **Application Form**

Eligible QIBs could only use the serially numbered Application Forms (which are specifically addressed to them) supplied by our Bank and the Book Running Lead Managers in electronic form only for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document and this Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Placement Document, the Eligible QIB has been deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under “*Notice to Investors*”, “*Representations by Investors*”, “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 2, 5, 224 and 233, respectively:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India and is eligible to participate in this Issue;
2. The Bidder confirms that it has no rights under a shareholders’ agreement or voting agreement with the Promoter, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoter;
3. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;
4. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder and not an FVCI or a multilateral or bilateral development financial institution. Each Eligible QIB confirms that it is not an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules. Each Eligible QIB confirms that they have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets;
5. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges. Additionally, this will be subject to the Selling and Transfer Restrictions under the applicable laws;
6. The Eligible QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;
7. The Eligible QIB confirms that its Bid would not result in triggering an open offer under the Takeover Regulations;
8. The Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period, our Bank reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

9. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:
  - a. QIBs “belonging to the same group” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other Eligible QIB ; and
  - b. ‘Control’ shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations;
10. The Eligible QIBs acknowledge that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.
11. The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to their beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.
12. The Eligible QIB confirms that:
  - a. It is an U.S. QIB who is, or are acquiring the Equity Shares for its own account or for the account of an institutional investor who also meets the definition of an U.S. QIB, for investment purposes only and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not our affiliate or a person acting on behalf of such an affiliate; or
  - b. It is outside the United States purchasing the Equity Shares in an “offshore transaction” as defined in and in reliance on Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate.

It has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of this Placement Document, were deemed to have made the representations, warranties and agreements made under the sections titled “*Notice to Investors*”, “*Representations by Investors*”, “*Selling Restrictions*” and “*Transfer Restrictions*” beginning on pages 2, 5, 224 and 233, respectively.

**ELIGIBLE QIBs WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT’S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs WERE REQUIRED TO ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.**

**IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A “QIB” AS DEFINED HEREINABOVE.**

**IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.**

Demographic details such as address and bank account were obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount was remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder was deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becoming a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document by our Bank (by itself or by the Book Running Lead Managers) in favour of the Successful Bidder.

#### **Submission of Application Form**

All Application Forms were required to be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter. The Bid Amount was required to be deposited in the Escrow Account as is specified in the Application Form and the Application Form was required to be submitted to the Book Running Lead Managers through electronic form at either of the following addresses:

| Name of BRLM                                                | Address                                                                                                                                               | Contact person                      | Email                       | Phone            |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------------|------------------|
| Kotak Mahindra Capital Company Limited                      | 1 <sup>st</sup> Floor, 27 BKC, Plot No. C – 27 “G” Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051, Maharashtra, India                      | Ganesh Rane                         | sbi.qip@kotak.com           | +91 22 4336 0000 |
| SBI Capital Markets Limited*                                | 1501, 15th Floor, A & B Wing, Parinee Crescenzo Building, G Block, BKC, Bandra East, Mumbai 400 051, Maharashtra, India                               | Raghavendra Bhat / Aditya Deshpande | sbi.qip@sbicaps.com         | +91 22 4006 9807 |
| ICICI Securities Limited                                    | ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India                                                           | Aboli Pitre/Hitesh Malhotra         | sbi.qip@icicisecurities.com | +91 22 6807 7100 |
| Morgan Stanley India Company Private Limited                | Altimus, Level 39 & 40, Pandurang Budhkar Marg, Worli, Mumbai 400 018, Maharashtra, India                                                             | Aayush Agarwal                      | sbi_qip@morganstanley.com   | +91 22 6118 1000 |
| HSBC Securities and Capital Markets (India) Private Limited | 52/60, Mahatma Gandhi Road Fort, Mumbai 400 001, Maharashtra, India                                                                                   | Harsh Thakkar / Harshit Tayal       | sbiqip2025@hsbc.co.in       | +91 22 6864 1289 |
| Citigroup Global Markets India Private Limited              | 1202, 12 <sup>th</sup> Floor, First International Financial Centre, G Block, Bandra Kurla Complex, Bandra (East), Mumbai, 400 098, Maharashtra, India | Nilay Kala                          | sbi.qip@citi.com            | +91 22 6175 9999 |

*\*SBI Capital Markets Limited, a subsidiary of our Bank, shall be involved only in marketing of the Issue in compliance with Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 174(2) of the SEBI ICDR Regulations.*

The Book Running Lead Managers were not required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue were required to pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

### Payment of Bid Amount

Our Bank has opened the Escrow Account in the name of “**Escrow Account State Bank of India QIP 2025**” with the Escrow Agent, in terms of the arrangement among our Bank, the Book Running Lead Managers and the Escrow Agent. Each Bidder was required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders could make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

**Note: Payments were to be made only through electronic fund transfer. Payments made through cash or cheques were liable to be rejected. Further, if the payment was not made favouring the Escrow Account, the Application Form was liable to be rejected.**

Pending Allotment, our Bank undertakes to utilise the amount deposited in “**Escrow Account State Bank of India QIP 2025**” only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Bank is not able to Allot Equity Shares in the Issue. In case of cancellations or default by the Bidders, our Bank and the Book Running Lead Managers had the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, the excess Bid Amount will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in “**Issue Procedure – Refunds**” on page 220.

### Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price could not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks

preceding the Relevant Date. For the purpose of determination of the Floor Price, 'stock exchange' shall mean any of the recognised stock exchanges in which the Equity Shares are listed and in which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

The "Relevant Date" referred to above, for Allotment, was the date of the meeting in which the Board or the Committee of Directors of the Board decided to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

### **Build-up of the book**

The Eligible QIBs were required to submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids were allowed to be withdrawn or revised downwards after the Issue Closing Date. The book was maintained by the Book Running Lead Managers.

### **Price discovery and Allocation**

Our Bank, in consultation with the Book Running Lead Managers, has determined the Issue Price, which is above the Floor Price.

### **Method of Allocation**

Our Bank has determined the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price were grouped together to determine the total demand. The Allocation to all such Eligible QIBs have been made at the Issue Price. Allocation to Mutual Funds for a minimum of 10% of the Issue Size was undertaken subject to valid Bids being received at or above the Issue Price.

**THE DECISION OF OUR BANK IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR BANK, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR BANK NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON- ALLOCATION.**

### **CONFIRMATION OF ALLOCATION NOTE OR CAN**

Based on receipt of the serially numbered Application Forms and Bid Amount, our Bank, in consultation with the Book Running Lead Managers, in its sole and absolute discretion, has decided the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Successful Bidder ("**Designated Date**").

The Successful Bidders would also be sent a serially numbered Placement Document either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document in the electronic form, to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board or the Committee of Directors will approve the Allotment of the Equity Shares to the Allottees in consultation with the Book Running Lead Managers.

### **Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue**

By submitting the Application Form, an Eligible QIB has been deemed to have made the representations and warranties as specified in section titled "*Notice to Investors*" on page 2 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

**Successful Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.**

#### **Designated Date and Allotment of Equity Shares**

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Bank will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.
2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.
3. Our Bank, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.
4. Following the Allotment of the Equity Shares pursuant to the Issue, our Bank shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Bank shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.
5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts, our Bank will apply for the final listing and trading approvals from the Stock Exchanges.
6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Bank.
7. After finalization of the Issue Price, our Bank has updated the Preliminary Placement Document with the Issue details and has filed it with the Stock Exchanges as this Placement Document. Pursuant to a circular SEBI/CFD/DIL/LA/1/2010/05/03 dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Bank along with this Placement Document.

#### **Refunds**

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price, or Equity Shares are not Allocated to a Bidder for any reasons, is cancelled prior to Allocation, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted (as set out in the Application Form). The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that our Bank is unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled from the date of receipt of application monies, our Bank shall repay the application monies. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Depositories Act and other applicable laws

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

#### **Release of Funds to our Bank**

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Bank. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

## **Other instructions**

### **Permanent account number or PAN**

Each Bidder was required to mention its PAN allotted under the IT Act. A copy of PAN card was required to be submitted with the Application Form. Further, the Application Forms without this information was considered incomplete and were liable to be rejected. It is to be specifically noted that applicants could not submit the GIR Number instead of the PAN as the Application Form was liable to be rejected on this ground.

### **Bank account details**

Each Bidder was required to mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

### **Right to reject applications**

Our Bank, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Bank in consultation with the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Bank, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder. For details see “*Bid Process*” – “*Refund*” on page 220.

### **Equity Shares in dematerialised form with NSDL or CDSL**

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all Eligible QIBs in the demat segment of the respective Stock Exchanges.

Our Bank and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

## PLACEMENT

### Placement Agreement

The Book Running Lead Managers have entered into the Placement Agreement dated July 16, 2025 with our Bank, pursuant to which the Book Running Lead Managers have agreed to manage the Issue and procure subscriptions for the Equity Shares on a best efforts basis in accordance with Chapter VI of the SEBI ICDR Regulations and the SEBI Act.

The Placement Agreement contains customary representations, warranties and indemnities from the Bank and the Book Running Lead Managers and it is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Preliminary Placement Document and this Placement Document have not been, and will not be, filed as a prospectus with RoC and, no Equity Shares issued pursuant to the Issue will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

In connection with the Issue, the Book Running Lead Managers (or their affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers could have subscribed to Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. See “*Offshore Derivative Instruments*” on page 10.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered, sold or delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are U.S. QIBs (as defined in Rule 144A) pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act, for avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Placement Document as “QIBs”, and (b) outside the United States, in “offshore transactions”, as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described in the sections titled “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 224 and 233, respectively.

The Book Running Lead Managers and their respective affiliates may engage in transactions with and perform services for the Bank, its Subsidiaries, Joint Ventures, Associate or affiliates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with the Bank and Subsidiary or affiliates, for which they have received compensation and may in the future receive compensation.

### Lock-up

The Bank will not for a period of 90 days from the date of this Placement Document, without the prior written consent of the Book Running Lead Managers, (A) directly or indirectly, issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing, (B) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention to enter in to any such transaction, whether any such swap or transaction described in Clause (A) or (B) hereof is to be settled by delivery of Equity Shares or such other securities, in cash or otherwise, or (C) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in depositary receipt facilities or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or a deposit of Equity Shares in any depositary receipt facility, or publicly announce any intention to enter into any transaction. The foregoing sentence shall not apply to: (i) any issuance, sale, transfer or disposition of Equity Shares by the Bank to the extent such issuance, sale, transfer or disposition is required by Indian law, including, any direction by the Government of India; (ii) any issuance of Equity Shares by the Bank to the Promoter; (iii) any

issuance of Equity Shares by the Bank in terms of any employee stock option scheme or any employee stock purchase scheme; and (iv) the Issue.

**Promoter Lock-up**

The Equity Shares held by the Promoter shall not be subject to any lock-up under the Placement Agreement.



## SELLING RESTRICTIONS

*The distribution of the Preliminary Placement Document, this Placement Document or any offering material and the offering, sale or delivery of Equity Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of the Preliminary Placement Document, this Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restriction. The Preliminary Placement Document, this Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised or permitted.*

### General

The Issue has been made only to Eligible QIBs. The distribution of the Preliminary Placement Document, this Placement Document or any offering material and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. The Preliminary Placement Document and this Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document, this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

Each purchaser of the Equity Shares in this Issue was deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and under “*Notice to Investors*”, “*Representations by Investors*” and “*Transfer Restrictions*” beginning on pages 2, 5 and 233, respectively.

### Republic of India

This Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. The Preliminary Placement Document and this Placement Document have not been and will not be registered as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

### Australia

This Placement Document:

- does not constitute a product disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the “**Corporations Act**”);
- has not been, and will not be, lodged with the Australian Securities and Investments Commission (“**ASIC**”), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act;
- does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a “retail client” (as defined in section 761G of the Corporations Act and applicable regulations) in Australia; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, or Exempt Investors, available under section 708 of the Corporations Act.

The Equity Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Equity Shares may be issued, and no draft or definitive Preliminary Placement Document, advertisement or other offering material relating to any Equity Shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Equity Shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of Equity Shares under this Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to us that you will not, for a period of 12 months from the date of issue

of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

## **Bahrain**

All applications for investment should be received, and any allotments should be made, in each case from outside Bahrain. This Placement Document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. Our Company has not made and will not make any invitation to the public in the Kingdom of Bahrain and this Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency (“**BMA**”) has not reviewed, nor has it approved, the Preliminary Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

## **British Virgin Islands**

The Equity Shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on our behalf. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) (each a “**BVI Company**”), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

This Placement Document has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered prospectus has been or will be prepared in respect of the Equity Shares for the purposes of the Securities and Investment Business Act, 2010 or the Public Issuers Code of the British Virgin Islands.

## **Canada**

The Equity Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Equity Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Placement Document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Upon receipt of this document, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque acheteur canadien confirme par les présentes qu’il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d’achat ou tout avis) soient rédigés en anglais seulement.*

## **Cayman Islands**

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the “**SIBL**”)), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL. This Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

## **People’s Republic of China**

This Placement Document does not constitute a public offer of the Equity Shares, whether by way of sale or subscription, in the People's Republic of China (the “**PRC**”). The Equity Shares are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to the legal and regulatory requirements of the PRC, the Equity Shares may, subject to the laws and regulations in relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

### **Dubai International Financial Centre**

This Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority (“**DFSA**”) Rulebook. This Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Placement Document. The securities to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Placement Document you should consult an authorised financial advisor.

In relation to its use in the DIFC, this Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

### **European Economic Area**

In relation to each Member State of the European Economic Area (each a “**Member State**”), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Lead Managers for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this section, the expression an “offer to the public” in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

### **Hong Kong**

This Placement Document has not been and will not be approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. No person may offer or sell in Hong Kong, by means of any document, any Equity Shares other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”) and any rules made thereunder, or (ii) in other circumstances which do not result in this document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (the “**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No person may issue or have in its possession for the purposes of issue, in each case whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Equity Shares which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made thereunder.

The contents of this Placement Document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Issue. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

## Indonesia

This Placement Document does not constitute a prospectus for a public offering of securities under Indonesian capital market law and regulations. This Placement Document may not be distributed or passed on to more than 100 persons who are citizens of Indonesia (wherever they are domiciled or located) or entities of or residents in Indonesia. The Equity Shares may not be sold using this Placement Document to more than 50 persons who are citizens of Indonesia (wherever they are domiciled or located) or entities of or residents in Indonesia.

## Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948 as amended) (the “**FIEA**”) and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) (“**Japanese Resident**”) or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a “qualified institutional investor” (*tekikaku kikan toshika*), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the “**Qualified Institutional Investor**”), the Equity Shares will be offered in Japan by a private placement to small number of investors (*shoninzu muke kanyu*), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (*tekikaku kikan toshikamuke kanyu*), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To receive the Equity Shares (the “**QII Equity Shares**”) such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

## Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the “**FSCMA**”), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the “**FETL**”). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

## Kuwait

This Placement Document has not been licensed for the offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of securities in the State of Kuwait (“**Kuwait Securities Laws**”). Therefore, in accordance with the Kuwait Securities Laws, no private or public offering of the Equity Shares is or will be made in the State of Kuwait, no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

## Mauritius

In accordance with The Securities Act 2005 of Mauritius, no offer of the Equity Shares offered in the Issue may be made to the public in Mauritius without, amongst other things, the prior approval of the Mauritius Financial Services Commission. This Placement Document has not been approved or registered by the Mauritius Financial Services Commission. Accordingly, this Placement Document does not constitute a public offering. This Placement Document is for the exclusive use of the person to whom it has been given by the Lead Managers and is a private concern between the sender and the recipient.

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Placement Document nor any offering material or information contained herein relating to the offer of Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Placement Document does not constitute an offer to sell Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

## **New Zealand**

This Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “**FMA Act**”). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMA Act and no product disclosure statement, register entry or other disclosure document under the FMA Act will be prepared in respect of this Issue. The Equity Shares offered in the Issue may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who: (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act; (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act; (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Equity Shares are issued or sold elects to sell any Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue or such sale, being viewed as an offer to which Part 3 of the FMA Act is applicable.

## **Qatar (excluding the Qatar Financial Centre)**

This Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor the Lead Managers are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing the Lead Managers are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

## **Qatar Financial Centre**

This Placement Document does not, and is not intended to, constitute an invitation or offer of Equity Shares from or within the Qatar Financial Centre (“**QFC**”), and accordingly should not be construed as such. This Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licenced by or registered with any licensing authorities within the QFC.

## **Saudi Arabia**

This Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority (“**CMA**”) pursuant to resolution number 2-11-2004 dated October 4, 2004 as amended by resolution number 1-28-2008, as amended (the “**CMA Regulations**”). The CMA does not make any representation as to the accuracy or completeness of this Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorized financial adviser.

## Singapore

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, 2001 of Singapore, as amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by an accredited investor which is:

(a) a corporation the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

- i to an institutional investor or to an accredited investor;
- ii where no consideration is or will be given for the transfer;
- iii as specified by operation of law.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the **CMP Regulations 2018**, unless otherwise specified before an offer of Equity Shares, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## Sultanate of Oman

The information contained in this Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the “**Executive Regulations**”) by an entity duly licenced by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

## South Africa

Due to restrictions under the securities laws of South Africa, no "offer to the public" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the “South African Companies Act”)) is being made in connection with the issue of the Equity Shares in South Africa. Accordingly, this Placement Document does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. The Equity Shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions stipulated in section 96 (1) applies:

(i) the offer, transfer, sale, renunciation or delivery is to:

- persons whose ordinary business, or part of whose ordinary business, is to deal in securities, as principal or agent;
- the South African Public Investment Corporation;
- persons or entities regulated by the Reserve Bank of South Africa;
- authorized financial service providers under South African law;
- financial institutions recognized as such under South African law;
- a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorized portfolio manager for a pension fund, or as manager for a collective investment scheme (in each case duly registered as such under South African law); or
- any combination of the person in (i) to (vi); or

(ii) the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000 or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

Information made available in this Placement Document should not be considered as “advice” as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

### **Switzerland**

This Placement Document is not intended to constitute, and does not constitute, an offer to the public or solicitation to purchase or invest in the Equity Shares. The Equity Shares may not be publicly offered, sold or marketed, directly or indirectly, in or into Switzerland within the meaning of the Swiss Financial Services Act (“**FinSA**”), except under the following exemptions under the FinSA:

- i to any investor that qualifies as a professional client within the meaning of the FinSA;
- ii in any other circumstances falling within Article 36 of the FinSA;

provided, in each case, that no such offer of Equity Shares referred to in (i) through (ii) above shall require the publication of a prospectus for offers of Equity Shares pursuant to the FinSA.

The Equity Shares have not been and will not be admitted to trading on any trading venue in Switzerland.

Neither this Placement Document nor any other marketing or offering material relating to the Equity Shares constitutes a prospectus within the meaning of the FinSA. This Placement Document has not been and will not be filed with, reviewed or approved by, a Swiss review body, and does not comply with the disclosure requirements applicable to a prospectus within the meaning of the FinSA. In particular, this document will not be filed with, and the offer of the Equity Shares will not be supervised by, the Swiss Financial Market Supervisory Authority and the offer of the Equity Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (“**CISA**”).

The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Equity Shares.

Neither this Placement Document nor any other offering or marketing material relating to the Equity Shares may be distributed or otherwise made available in Switzerland in a manner which would require the publication of a prospectus in Switzerland pursuant to the FinSA.

### **Taiwan**

The Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

## United Arab Emirates (excluding the Dubai International Financial Centre)

No offering, marketing, promotion, advertising or distribution (collectively, “**Promotion**”) of this Placement Document or the Equity Shares may be made in the United Arab Emirates (the “**UAE**”) unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the “**SCA**”) and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors’ Chairman Decision no. (3/R.M.) of 2017 (the “**Promotion and Introduction Regulations**”), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE.

The Promotion of this Placement Document and the Equity Shares has not been and will not be approved by the SCA and, as such, this Placement Document does not constitute an offer to the general public in the UAE to acquire any Equity Shares. Except where the Promotion of this Placement Document and the Equity Shares is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE, the Promotion of this Placement Document and the Equity Shares in the UAE is being made only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations).

None of the SCA, the Central Bank of the United Arab Emirates or any other regulatory authority in the UAE has reviewed or approved the contents of this Placement Document and nor does any such entity accept any liability for the contents of this Placement Document.

## United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Shares at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Lead Managers for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Shares shall require the Company or any Lead Managers to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

The Preliminary Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as “relevant persons”).

The Preliminary Placement Document is directed only at relevant persons. Other persons should not act on the Preliminary Placement Document or any of its contents. The Preliminary Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

## United States of America

See “**Transfer Restrictions**” on page 233.



**Other Jurisdictions**

The distribution of the Preliminary Placement Document, this Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

## TRANSFER RESTRICTIONS

*Due to the following restrictions, investors are advised to consult their legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.*

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see “Selling Restrictions” on page 224.

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered, sold or delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are U.S. QIBs pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act, for avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Placement Document as “QIBs”, and (b) outside the United States, in “offshore transactions”, as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. Each purchaser of the Equity Shares will be deemed to have made the representations, agreements and acknowledgements as described under “Transfer Restrictions” on page 233.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

### **Transfer restrictions and purchaser representations for purchasers within the United States**

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

If you purchase the Equity Shares offered in the United States pursuant to Section 4(a)(2) of the U.S. Securities Act, in reliance upon Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act, by accepting delivery of this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed to us and the Book Running Lead Managers as follows:

- You are authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.
- You (A) are a “qualified institutional buyer” (as defined in Rule 144A) (a “U.S. QIB”), (B) are aware that the sale of the Equity Shares to you is being made pursuant to Section 4(a)(2) of the U.S. Securities Act or another available exemption from the registration requirements of the U.S. Securities Act, and (C) are acquiring such Equity Shares for your own account or for the account of a U.S. QIB.
- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States, (1) to a person who the seller reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, (2) pursuant to an exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 under the U.S. Securities Act (if available), (3) pursuant to another available exemption from the registration requirements of the U.S. Securities Act, or (4) pursuant to an effective registration statement under the U.S. Securities Act, or (ii) outside the United States in an offshore transaction in reliance upon Regulation S, as applicable, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.
- You agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer agrees) that neither you, nor any of your affiliates, nor any person acting on your behalf, will make any “directed selling efforts” as defined in Regulation S, with respect to the Equity Shares. You acknowledge and agree that you are not purchasing any Equity Shares as a result of any directed selling efforts.

- The Equity Shares offered and sold in the United States as part of the Issue are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Equity Shares.
- You will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act.
- You have been provided access to the Preliminary Placement Document and this Placement Document, which you have read in its entirety. You will base your investment decision on a copy of the Preliminary Placement Document and this Placement Document. You acknowledge that neither our Bank nor any of its affiliates nor any other person (including the Book Running Lead Managers) or any of its affiliates has made or will make any representations, express or implied, to you with respect to our Bank, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Bank, the Issue or the Equity Shares, other than (in the case of our Bank only) the information contained in this Placement Document, as it may be supplemented.
- You are a sophisticated investor and possess such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in similar jurisdictions. You and any accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Bank or any of the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) are seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and you or they have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.
- You will notify any transferee to whom you subsequently offer, sell, pledge or otherwise transfer and the executing broker and any other agent involved in any resale of the Equity Shares of the foregoing restrictions applicable to the Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.
- You acknowledge that if at any time your representations cease to be true, you agree to resell the Equity Shares at our Bank’s request.
- You agree that any offer, resale, pledge or other transfer, or attempted offer, resale, pledge or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions will not be recognised by the Bank.

You acknowledge and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that the Bank, the BRLMs and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgments, representations or agreements are no longer accurate you will promptly notify Bank and the BRLMs; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgments, representations and agreements on behalf of each such account. You agree that the terms and provisions of the foregoing acknowledgments, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgments, representations and agreements shall be enforceable by the Bank, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. You understand that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorize the Bank to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

#### **Transfer restrictions and purchaser representations for purchasers outside the United States**

If you purchase the Equity Shares offered outside the United States in reliance on Regulation S, by accepting delivery of this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed as follows:

- You are authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations and will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Placement Document) which may be applicable in your jurisdiction and you have obtained or will obtain any consent, approval or authorization required for you to purchase and accept delivery of Equity Shares, and you acknowledge and agree that none of the Bank or the BRLMs and their respective affiliates shall have any responsibility in this regard.
- You acknowledge (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges) that the Equity Shares are being issued in offshore transactions in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.
- You certify that either (A) you are, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, are located outside the United States (within the meaning of Regulation S), and you have not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) you are a broker-dealer acting on behalf of your customer and your customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.
- You are aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.
- You agree (or you are a broker-deal acting on behalf of a customer that has confirmed to you that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any “directed selling efforts” as defined in Regulation S. You acknowledge and agree that you are not purchasing any Equity Shares as a result of any “directed selling efforts” as defined in Regulation S.
- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and that such Equity Shares may be offered, resold, pledged or otherwise transferred except (A)(i) in the United States, (1) to a person who the seller reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, (2) pursuant to an exemption from registration under the U.S Securities Act provided by Rule 144 under the U.S. Securities Act (if available), (3) pursuant to another available exemption from the registration requirements of the U.S Securities Act, or (4) pursuant to an effective registration statement under the U.S. Securities Act, or (ii) outside the United States in an “offshore transaction” complying with Rule 903 or Rule 904 of Regulation S, as applicable, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.
- You are a sophisticated investor and possess such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Bank or the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) are seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and you or they have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.
- You have been provided access to the Preliminary Placement Document and this Placement Document, which you have read in its entirety. You will base your investment decision on a copy of the Preliminary Placement Document and this Placement Document. You acknowledge that neither our Bank nor any of its affiliates nor any other person (including the Book Running Lead Managers) or any of its affiliates has made or will make any representations, express or implied, to you with respect to our Bank, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Bank, the Issue or the Equity Shares, other than (in the case of our Bank only) the information contained in this Placement Document, as it may be supplemented.

- You agree to indemnify and hold the Bank and the BRLMs harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. You will not hold any of the Bank or the BRLMs liable with respect to its investment in the Equity Shares. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- Where you are subscribing to the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts.
- You agree that any offer, resale, pledge or other transfer, or attempted offer, resale, pledge or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Bank.

You acknowledge and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that the Bank and the BRLMs and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agree that, if any of such acknowledgements, representations or agreements are no longer accurate, you will promptly notify the Bank and the BRLMs; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgements, representations and agreements on behalf of each such account. You agree that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Bank, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. You understand that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorize the Bank to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

## THE SECURITIES MARKET OF INDIA

*The information in this section has been extracted from publicly available documents from various sources, including officially prepared materials from SEBI and the Stock Exchanges and has not been prepared or independently verified by our Bank or the Book Running Lead Managers or any of their respective affiliates or advisors.*

### The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

### Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Financial Markets Division, under the SCRA and the SCRR. SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the “**SECC Regulations**”), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, protect the interests of investors in securities, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buybacks of securities, employee stock option schemes, stockbrokers, merchant bankers, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

### Listing and Delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of a company’s obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange’s governing body and withdraw recognition of a recognised stock exchange.

Further, the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

### Minimum Level of Public Shareholding

Pursuant to an amendment to SCRR in June 2010 and Regulation 38 of SEBI Listing Regulations, all listed companies are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of the public shareholding having fallen below the 25% threshold. However, every listed public sector company whose public shareholding falls below 25% at any time after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, respectively, in the manner specified by SEBI. However, in terms of Rule 19A(6) of the SCRR, the Central Government may, in public interest, exempt any listed entity in which the Central Government or State Government or public sector company, either individually or in any combination with other, hold directly or indirectly, majority of the shares or voting rights or control of such listed entity, from any or all of the provisions of this rule.

### Disclosures under the SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management’s discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements

pursuant to the terms of the SEBI Listing Regulations.

### **Index-Based Market-Wide Circuit Breaker System**

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The Stock Exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the BSE SENSEX or the NIFTY 50 of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of up to 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available. The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

### **BSE**

Established in 1875, BSE is the oldest stock exchange in India. In 1957, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005, BSE was incorporated as a company under the Companies Act, 1956 in 2005. BSE was listed on NSE with effect from February 3, 2017.

### **NSE**

NSE provides nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The operations in the derivatives segment commenced in June 2000.

### **Internet-based Securities Trading and Services**

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

### **Trading Hours**

Trading on both NSE and BSE occurs from Monday to Friday, during prescribed trading hours. BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to certain conditions.

### **Trading Procedure**

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE On-line Trading (or "**BOLT**") facility in 1995. This automated screen-based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform BOLT Plus.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading (or "**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

### **Takeover Regulations**

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Takeover Regulations, which provides specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of

the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. The SEBI Takeover Regulations were amended on August 13, 2021 to relax certain continual and other disclosures.

### **Insider Trading Regulations**

SEBI had earlier notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 to prohibit and penalise insider trading in India. The regulations, among other things, prohibited an ‘insider’ from dealing in the securities of a listed company when in possession of unpublished price sensitive information (“UPSI”).

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the regulations of 1992. The Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

The board of directors of all listed companies are required to formulate and publish on the company’s website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations. Further, on July 17, 2020, SEBI amended the SEBI Insider Trading Regulations to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database be maintained, containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details person with whom information is shared.

### **Depositories**

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. Further, SEBI framed regulations in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

### **Derivatives (Futures and Options)**

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term “securities”, as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.



## DESCRIPTION OF THE EQUITY SHARES

*Set forth below are certain provisions relating to the Bank's share capital and the Equity Shares, including brief summaries of certain provisions of the SBI Act and the SBI General Regulations. The Bank follows the RBI Dividend Circular in relation to declaration of dividends.*

### General

The authorised share capital of the Bank is ₹ 50 billion, divided into 50 billion fully paid-up Equity Shares of ₹ 1 each

As on the date of this Placement Document, 8,925,405,164 Equity shares of ₹ 1 each are issued by our Bank of which 8,924,620,034 Equity shares of ₹1 each are subscribed and fully paid up. The Equity Shares are listed on NSE and BSE.

### Capital

The issued capital of the Bank on the appointed day, (i.e. May 8, 1955, the date on which the SBI Act came into force) was ₹ 56,250,000 divided into 562,500 equity shares of face value of ₹ 100 each, stood allotted to the RBI in lieu of the shares of the Imperial Bank. Subsequently the Equity Shares held by the RBI were transferred to Government of India on June 29, 2007. The Bank may raise its capital by public issue or preferential allotment or private placements of both equity and preference shares, in accordance with the guidelines of SEBI, in this regard, provided that the Central Government shall, at all times, hold not less than fifty-one percent of the issued capital of the Bank. For raising capital by public issue or preferential allotment or private placement of preference shares, the extent of issue of each class of such preference shares (whether perpetual or irredeemable or redeemable) and the terms and conditions subject to which each class of such preference shares that may be issued by the Bank is required to be determined in accordance with the guidelines framed by the RBI. The proposal has to be submitted to the RBI to take into account the views of the RBI before finalizing the proposal and the final proposal has to be thereafter submitted to the Central Government for its sanction. The raising of further capital by the Bank should be in accordance with the sanction granted by the Central Government. Also, the Central Board may from time to time increase, with the previous approval of the RBI and the Central Government, whether by public issue or rights issue or preferential allotment or private placement, in accordance with the procedure as may be prescribed, the issued capital by the issue of equity or preference shares. The Bank may accept the money, in respect of shares, towards increase in issued capital in installments, make calls, forfeit unpaid shares and re issue them in a prescribed manner.

### Transfer of Shares

The shares of the Bank are freely transferable. The shareholders of the Bank can transfer its shares by an instrument of transfer in the form provided under the SBI General Regulations or in such other form as may be approved by the Bank from time to time.

### Call on shares

The Central Board may, from time to time, make such calls as it thinks fit upon the shareholders in respect of all moneys remaining unpaid on the shares held by them, which are by the conditions of allotment not made payable at fixed times, and each shareholder is required to pay the amount of every call so made on him to the person and at the time and place appointed by the Central Board. However, before the time for payment of such call, the Central Board may by notice in writing to the shareholders revoke the same. The time fixed for the payment of any call to all or any of the shareholders may be extended at the discretion of the Central Board, but no shareholder is entitled to such extension as a matter of right.

No shareholder is entitled to receive any dividend or to exercise any right of a shareholder until he has paid all calls for the time being due and payable on every share held by him, whether singly or jointly with any person, together with interest and expenses, as may be levied or charged.

### Forfeiture of shares

The Bank can forfeit the shares, if the calls on such shares are unpaid. Any share so forfeited will be deemed to be the property of the Bank and may be sold, re-allocated or otherwise disposed of to any person upon such terms and in such manner as the Central Board may decide.

### Meeting of Shareholders

There are two types of general meetings of shareholders: general meetings and special general meetings. For convening a general meeting, a notice signed by the Chairman or the Managing Director authorized by the Chairman, should be published at least 28 (twenty-eight) days before the meeting in the Gazette of India and also in not less than two daily newspapers having wide circulation in India. Every such notice is required to state the time, date and place of such meeting, and also the business that should be transacted at that meeting.

A special general meeting of shareholders can be convened by the Chairman or in their absence by the Managing Director of the Bank, authorized by the Chairman, if so directed by the Central Board, or on a requisition for such a meeting having been received either from the Central Government or from other shareholders holding shares, carrying, in the aggregate, not less than twenty percent of the total voting rights of all the shareholders. The requisition should state the purpose for which special general meeting is required to be convened, but may consist of several documents in like form each signed by one or more of the requisitionists. The time, date and place of a general meeting shall be decided by the Central Board, provided that a special general meeting convened on requisition by other shareholders will be convened not later than three months of the receipt of the requisition.

No business can be transacted at any meeting of the shareholders unless a quorum of at least five shareholders consisting the central government represented by a duly authorised person and four other shareholders entitled to vote at such meeting in person or by proxy or by duly authorised representatives is present at the commencement of such business, and if within fifteen minutes from the time appointed for the meeting a quorum is not present the chairman may dissolve the meeting or adjourn it to the same day in the following week at the same time and place, and if at such adjourned meeting a quorum is not present, the shareholders who are present in person or by proxy or by duly authorised representative or by a duly authorised person shall form a quorum.

If there is a demand for a poll, it is to be taken either at once or at such time and place and either by open voting or by ballot as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

### **Election of Directors**

A director, under sub-section (1) of Regulation 37 of the SBI General Regulations, is to be elected by the shareholders on the register, other than the Central Government, from amongst themselves in the general meeting of the Bank. Where an election of a director is to be held at any general meeting, the notice thereof should be included in the notice convening the meeting. Every such notice should specify the number of directors to be elected and the particulars of vacancies in respect of which the election is to be held.

### **Voting rights of Shareholders**

The SBI Act provides that no shareholder other than the Central Government shall be entitled to exercise voting rights in respect of any shares held in excess of 10.00% of the Bank's issued share capital. Each shareholder who has been registered as a shareholder for a period of not less than three months prior to the date of a general meeting shall, at such meeting, have one vote for each fifty shares held by him or it.

Further, subject to the provisions of the SBI General Regulations, a declaration by the chairman of a general meeting that a resolution has been carried or rejected thereat upon a show of hands by those shareholders present who are entitled to vote on the resolution shall be conclusive, and an entry to that effect in the book of proceedings of the Bank shall be sufficient evidence of that fact, without proof of the number or proportion of the votes recorded in favor of, or against, such resolution, unless immediately on such declaration a poll be demanded in writing on behalf of the Central Government or by at least four other shareholders present and entitled to vote at the meeting. If a poll be duly demanded, it shall be taken either at once or at such time and place and either by open voting or by ballot as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. At such, poll, voting shall be either in person or by proxy or by duly authorised representative, and the shareholders shall exercise the voting right. The decision of the chairman of the meeting as to the qualification of any person to vote, and also in the case of a poll, as to number of votes any person is competent to exercise shall be final.

### **Declaration of Dividend**

As per the RBI Dividend Circular, the Bank can declare dividends only if the Bank has a (i) CRAR of at least 9.00% for the preceding two completed years and the accounting year for which it proposes to declare a dividend; and (ii) net NPA less than 7.00%. In case the Bank does not meet the said CRAR norm, but has a CRAR of at least 9.00% for the accounting year for which it proposes to declare dividend, it would be eligible to declare dividend provided its net NPA ratio is less than 5.00%.

The Bank is required to comply with certain provisions of the Banking Regulation Act, and the prevailing regulations / guidelines issued by RBI, including creating adequate provisions for impairment of assets and staff retirement benefits, transfer of profits to statutory reserves. The proposed dividend should be paid out of the current year's profit. Also, the RBI should not have placed any explicit restrictions on the Bank for declaration of dividends. Additionally, the Bank should comply with the requirements of the SBI Act prior to declaring any dividend. In terms of the SBI Act, a dividend can only be declared after making provision for, inter alia, bad and doubtful debts, depreciation in assets, equalization of dividends, and contribution to staff and superannuation funds. The rate of dividend shall be determined by the Central Board.

## TAXATION

To,

Central Board of Directors  
**State Bank of India**  
Corporate Centre, 14th Floor  
State Bank Bhavan  
Madame Cama Marg  
Mumbai 400 021  
Maharashtra, India

**Kotak Mahindra Capital Company Limited**  
**(“Kotak”)**  
1st Floor, 27 BKC  
Plot No. 27, ‘G’ Block  
Bandra Kurla Complex  
Bandra (E)  
Mumbai 400 051  
Maharashtra, India

**Citigroup Global Markets India Private Limited**  
**(“Citi”)**

First International Financial Centre (FIFC)  
14th Floor, C-54 & 55, G-Block  
Bandra Kurla Complex, Bandra East  
Mumbai 400 098  
Maharashtra, India

**HSBC Securities and Capital Markets (India)**  
**Private Limited (“HSBC”)**

52/60, Mahatma Gandhi Road, Fort  
Mumbai 400 001  
Maharashtra, India

**ICICI Securities Limited (“I-Sec”)**

ICICI Venture House  
Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400 025  
Maharashtra, India

**Morgan Stanley India Company Private Limited**  
**(“Morgan Stanley”)**

Altimus, Level 39 & 40  
Pandurang Budhkar Marg, Worli  
Mumbai 400 018  
Maharashtra, India

**SBI Capital Markets Limited (“SBICAPS”)**

1501, 15<sup>th</sup> Floor, A&B Wing  
Parinee Crescenzo Building, G Block  
Bandra Kurla Complex  
Bandra (East), Mumbai 400 051  
Maharashtra, India

(Kotak, Citi, HSBC, I-Sec, Morgan Stanley and SBICAPS, collectively referred to as the **“Book Running Lead Managers”** or **“BRLMs”**)

Dear Sirs,

**Re.: Certificate on tax benefits**

**Sub: Proposed qualified institutions placement of equity shares of face value ₹ 1 each (“Equity Shares”) by State Bank of India (the “Bank”) under Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”) and in terms of the State Bank of India Act, 1955, as amended (the “SBI Act”, and such qualified institutions placement, the “Issue”).**

1. This certificate is issued in accordance with the terms of our engagement letter dated July 07, 2025 with the Bank.
2. We, Varma & Varma Chartered Accountants, Firm Registration Number:004532S, one of the Statutory Central Auditors of the Bank, enclose herewith in **Annexure A** the statement showing possible tax benefits available to the Bank and its shareholders under the Income Tax Act, 1961 read with the rules, circulars and notifications issued in connection thereto, (the **“IT Act”**) as amended, applicable for the financial year ended March 31, 2026 and relevant to the assessment year 2026-27, presently in force in India and prepared by the management of the Bank in connection with the Issue, which we have initialed for identification purposes only.

### **Management’s Responsibility**

3. The preparation of the information contained in the **Annexure A** in connection with the Issue, which is to be included in the preliminary placement document (**“PPD”**)/ placement document (**“PD”**) to be filed by the Bank in relation the Issue (together the **“Placement Documents”**) is the responsibility of the management of the Bank. The completeness of the details furnished to us is the sole responsibility of the Bank’s management and we have relied solely on the

information furnished by the Bank for the same.

4. The Bank's management is also responsible for reviewing the applicable provisions of IT Act as applicable for the financial year 2025-26 prevailing as on the date of this certificate and determine the possible tax benefits available to the Bank and its shareholders.
5. Management is also responsible for the completeness and correctness of the information contained in **Annexure A** and maintenance of all relevant supporting records. This responsibility includes collecting, collating and validating information and designing, implementing and maintaining adequate internal controls that were operating effectively and applying an appropriate basis of preparation that are reasonable in the circumstances relevant to the preparation of **Annexure A**. The Bank's management is also responsible for identifying and ensuring the compliance with the relevant provisions of the IT Act applicable to Bank's activities and providing relevant information to those concerned with this certificate.

#### **Auditor's Responsibility**

6. It is our responsibility to certify whether **Annexure A**, which has been prepared by the Bank's management, presents the possible tax benefits available to the Bank and its shareholders as per the IT Act.
7. We have issued this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). The Guidance Note requires that we comply with the independence and ethical requirements of the Code of Ethics issued by the ICAI
8. We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements

#### **Opinion**

9. On the basis of the procedures performed by us and the information, explanations and representations provided to us by the management of the Bank, we hereby report the possible tax benefits available to the Bank and the shareholders of the Bank under the IT Act applicable for the financial year ended March 31, 2026 and relevant to the assessment year 2026-27, presently in force in India, annexed herewith in **Annexure-A**.
10. We do not express any opinion or provide any assurance as to whether:
  - i. the Bank or its shareholders will continue to obtain these benefits in future; or
  - ii. the conditions prescribed for availing the benefits have been/would be met with; or
  - iii. the revenue authorities / courts will concur with the views expressed herein.
11. Several of these stated tax benefits/consequences are dependent on the Bank or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Bank or its shareholders to derive the tax benefits is dependent on fulfilling such conditions.
12. The tax benefits and consequences discussed in Annexure A are not exhaustive. Also, in view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest money based on **Annexure A**.
13. We also consent to the references to us as an "Expert", as provided under Section 2(38) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Placement Documents of the Bank or in any other documents in connection with the Issue.

#### **Restriction on use and other clauses**

14. The aforesaid information contained herein and in **Annexure A** can be relied upon by the BRLMs and Legal Counsels appointed pursuant to the Issue and can be submitted to the Stock Exchanges, Securities and Exchange Board of India, and any other regulatory or statutory authority in respect of the Issue and for the records to be maintained by the BRLMs in connection with the Issue..
15. This certificate is issued based on our understanding of the laws and applicable regulations prevailing on the date of

certificate. Any change or amendment in law would necessitate a review of our certificate based on Bank's request. Unless specifically requested, we have no responsibility to carry out any review of our certificate for changes in law occurring after the date of our certificate.

16. We hereby consent to this certificate being disclosed by the BRLMs, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority; or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation in connection with the contents of the Placement Documents.
17. This certificate is provided solely in connection with the purpose mentioned above, and should not be used, referred to or distributed for any other purposes or to any third party, without our prior written consent which shall not be unreasonably withheld. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the definitions and abbreviations section of the Placement Documents.

For Varma & Varma  
Chartered Accountants  
Firm Registration Number: 004532S

K.P. Srinivas  
Partner  
Membership Number: 208520

Place: Mumbai  
Date: July 15, 2025  
UDIN: 25208520BMODXA4169

Cc:

|                                                                                                                                                                                                                                     |                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Legal Counsel to the Book Running Lead Managers as to Indian Law</b><br><br><b>S&amp;R Associates</b><br>One World Center, 1403 Tower 2 B<br>841 Senapati Bapat Marg<br>Lower Parel, Mumbai 400 013<br>Maharashtra, India        | <b>Legal Counsel to the Book Running Lead Managers as to U.S. Law</b><br><br><b>Allen Overy Shearman Sterling (Asia) Pte Ltd</b><br>50 Collyer Quay<br>09-01 OUE Bayfront<br>Singapore 049 321 |
| <b>Legal Counsel to the Bank as to Indian Law</b><br><br><b>Cyril Amarchand Mangaldas</b><br>5th Floor, Peninsula Chambers<br>Peninsula Corporate Park<br>Ganpatrao Kadam Marg<br>Lower Parel, Mumbai 400 013<br>Maharashtra, India | <b>Legal Counsel to the Bank as to U.S. Law</b><br><br><b>Linklaters</b><br>One George Street<br>#17-01<br>Singapore 049145                                                                    |

(collectively, referred to as the “Legal Counsels”)

## ANNEXURE A

### THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE BANK AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

#### I. Possible Tax benefits available to the Bank and its shareholders under direct tax laws in India.

*With respect to the possible tax benefits available to the Bank and its shareholders, the information provided below sets out the same in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the Equity Shares, under the current tax laws presently in force in India. Several of these benefits are dependent on the Bank and the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the Bank or any shareholder to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultants and advisors with respect to the tax implications of an investment in the Equity Shares, particularly in view of certain recently enacted legislation which may not have a direct legal precedent or may have a different interpretation on the benefits which can be availed. All the tax benefits mentioned in this document are subject to the specific conditions mentioned in the respective section and / or the related rules or guidelines.*

*The law stated below is as per the Income tax Act, 1961 as amended by the Finance Act, 2025. [As applicable for FY 2025-26 (A.Y.2026-27)]*

#### LIMITATION

*Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the Offer relying on the statement.*

#### A. INCOME-TAX ACT, 1961 (“the Act”)

##### 1. The following benefits are available to the Bank after fulfilling conditions as per the applicable provisions of Act:

###### 1.1. Applicable Income Tax Rate:

The Bank had exercised the option of lower tax rate 22% (plus 10% Surcharge and 4% Health & Education Cess) in accordance with section 115BAA of the Income-tax Act, 1961 from the financial year 2019-20 onwards. Consequently, the provisions relating to Minimum Alternate Tax (MAT) u/s 115JB are not applicable to the Bank.

###### 1.2. Benefits available while computing Profits and Gains of Business or Profession: The income of the Bank under the head “Profits and Gains of Business or Profession” is computed in accordance with applicable provisions of the Act read with Income Computation and Disclosure Standards (ICDS) notified u/s. 145(2) of the Act. Some of the important deductions available specifically to scheduled banks for computation of income of the Bank under the head “Profits and Gains of Business or Profession” are detailed below:

###### 1.2.1. Income by way of interest, premium on redemption or other payment on notified securities, bonds, certificates issued by the Central Government is exempt from tax under Section 10(15) as per conditions specified in the concerned notification.

###### 1.2.2. Section 36(1)(vii) of the Act– Allowance of bad debts written off

Section 36(1)(vii) of the Act provides that the amount of bad debts, or part thereof, written off as irrecoverable in the accounts of the Bank for the previous year is allowable as deduction. However, the amount of the deduction relating to any such debt or part thereof shall be limited to the amount by which such debt or part thereof exceeds the credit balance in the provision for bad and doubtful debts account (including provisions towards rural advances) maintained u/s. 36(1)(viiia) of the Act. If the amount subsequently recovered on any such debt, or part thereof, written off is greater than the difference between the debt, or part of debt, so written off and the amount so allowed, the excess shall be deemed to be profits and gains of business or profession and accordingly, chargeable to tax in accordance with Section 41(4) in the year in which it is recovered.

###### 1.2.3. Section 36(1)(viiia) of the Act – Allowance of Provision for bad & doubtful debts

Section 36(1)(viia) of the Act provides that the Bank is entitled to claim deduction in respect of any provision for bad and doubtful debts made by the bank of an amount not exceeding 8.5% of the total income (computed before making any deduction under this clause and Chapter VIA of the Act) and an amount not exceeding 10% of the aggregate average advances made by rural branches computed in the manner prescribed under Rule 6ABA.

#### 1.2.4. Section 36(1)(viii) of the Act – Deduction in respect of Special Reserve

Section 36(1) (viii) of the Act provides that the bank is allowed deduction in respect of any special reserve created and maintained by the Bank for an amount not exceeding 20% of the profits derived from the business of long term finance for industrial or agricultural development or development of infrastructure facility in India or development of housing in India. Further, if the aggregate amount carried to the Special Reserve account from time to time exceeds twice the paid-up capital and general reserves, no deduction shall be allowed on the excess amount under the said section. The amount withdrawn from such a Special Reserve Account would be chargeable to income tax in the year of withdrawal, in accordance with the provisions for Section 41(4A) of the Act.

#### 1.2.5. Under Section 36(1)(xv), securities transaction tax paid by a taxpayer in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and gains of business or profession”.

#### 1.2.6. Section 43D of the Act – Interest on bad & doubtful debts

Section 43D of the Act provides that interest on certain categories of bad and doubtful debts as specified in Rule 6EA of the Income-tax Rules, 1962, shall be chargeable to tax only in the year of receipt or credit to Profit and Loss Account, whichever is earlier.

#### 1.2.7. As per provisions of Section 72 of the Act, the Bank is entitled to carry forward business losses that cannot be set off against permitted sources of income in the relevant assessment year, for a period of 8 consecutive assessment years immediately succeeding the assessment year when the losses were first computed, and set off such losses against income chargeable under the head “Profits and gains from business or profession” in such succeeding assessment year. The set off is permissible even if the business in which the loss was sustained is not carried on in the year of set off.

1.2.8. Bank is eligible for claiming double taxation relief under the Double Taxation Avoidance Agreement (DTAA) between India and other countries under section 90 of the Act in respect of income earned from foreign sources. In respect of income earned from foreign countries with which there is no DTAA, the Bank is eligible for claiming double taxation relief u/s 91 of the Act.

### 1.3. Benefits available while computing Capital Gains on transfer of capital assets:

#### 1.3.1. Income arising from transfer of securities listed in a recognized stock exchange in India or a unit of the Unit Trust of India established under the Unit Trust of India Act, 1963 or a unit of an equity oriented fund or a zero coupon bond held as capital assets for more than 12 months and subject to Securities Transaction Tax (STT) shall be considered as long-term capital assets. The securities which are not considered as long-term capital assets shall be considered as short-term capital assets. Certain securities like unlisted debentures, market linked debentures, specified mutual funds shall be considered as deemed short term capital asset irrespective of their period of holding as per section 50AA.

#### 1.3.2. Section 112A of the Act provides for concessional rate of 12.5% (plus applicable surcharge and cess) on long term capital gains exceeding Rs 1,25,000 arising on transfer of equity shares, units of equity-oriented fund and business trust) if STT has been paid on both acquisition and transfer in case of equity shares (subject to certain exceptions).

#### 1.3.3. As per section 55(2)(ac) of the Act, cost of acquisition of equity shares (referred in aforesaid Section 112A of the Act) acquired prior to February 1, 2018, shall be higher of: - a) Cost of acquisition; and b) Lower of: - (i). The fair market value of asset (As defined in Explanation to Section 55(2)(ac) of the Act; and (ii). The full value of consideration received or accruing as a result of transfer of the capital assets, for the purpose of this section, in case of listed equity shares, the FMV shall be the highest price quoted on a recognized stock exchange on January 31, 2018.

#### 1.3.4. Long-term capital gains on capital assets other than the ones covered in section 112A are subject to tax under Section 112 at a rate of 12.5% (plus applicable surcharge and cess) without the benefit of indexation.

- 1.3.5. Short-term capital gains arising on transfer of listed securities will be chargeable to tax at the rate of 20% (plus applicable surcharge and cess) as per the provisions of Section 111A of the Act if such transaction is chargeable to STT (subject to certain exceptions). The transfer of other short-term capital assets or deemed short term capital assets will be taxable at the normal tax rate applicable to the Bank.
- 1.3.6. Benefit for capital gains tax exemption is available under section 54EC depending on the type of assets and other conditions.
- 1.3.7. As per Section 70 read with Section 74 of the Act short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any shall be carried forward and set-off against any capital gains (short term capital gains or long-term capital gains) arising during subsequent eight assessment years. As per Section 70 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be setoff only against long term capital gains. Balance loss, if any shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years. As per Section 71 of the Act short term capital loss or long-term capital loss for the year cannot be set-off against income under any other head for the same year.

#### 1.4. Deduction under any provisions of Chapter VI-A

- 1.4.1. Deduction under Section 80LA of the Act – Deductions in respect of certain incomes of International Financial Services Centre

Under sub-section (1A) of section 80LA of the Act, where the gross total income of an assessee, being a Unit of an International Financial Services Centre, includes any income specified in sub-section (2) section 80LA, there shall be allowed subject to the fulfilment of the conditions specified in section 80LA, a deduction from such income, of an amount equal to 100% of such income for any ten consecutive assessment years, at the option of the assessee, out of fifteen years, beginning with the assessment year relevant to the previous year in which the Reserve Bank of India's permission or permission/ registration under the SEBI Act / regulations or any other relevant law was obtained.

- 1.4.2. Section 80M of the Act - Deduction in respect of certain inter-corporate dividends

Section 80M of the Act inter-alia provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, then such domestic company (subject to the provisions of this section) shall be allowed, in computing the total income, a deduction of an amount equal to the dividend received from such other domestic company, foreign company or business trust, to the extent such dividend does not exceed the amount of dividend distributed by it on or before one month prior to the due date for furnishing the return of income under sub-section (1) of section 139 of the Act.

## **B. STATEMENT OF GENERAL DIRECT TAX BENEFITS AVAILABLE TO THE RESIDENT SHAREHOLDERS:**

1. The gains/losses, arising from sale of shares will assume the character of Capital Gains or Business Income depending on the nature of holding in the hands of the shareholder and various other factors. Taxability of income on regular trading of securities will depend on facts and circumstances of each case.
2. Income arising from transfer of shares held for more than 12 months and subject to Securities Transaction Tax (STT) shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets. The characterization of gains / losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. The Central Board of Direct Taxes (CBDT) has clarified in a circular that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as "Capital Gains" unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income.
3. Section 112A of the Act provides for concessional rate of 12.5% (plus applicable surcharge and cess) on long term capital gains exceeding Rs 1,25,000 *inter alia* arising on transfer of equity shares, if STT has been paid on both acquisition and transfer in case of equity shares (subject to certain exceptions).
4. Long-term capital gains on capital assets other than the ones covered in section 112A are subject to tax under section 112 at a rate of 12.5% (plus applicable surcharge and cess) without the benefit of indexation.



5. In case of an individual or Hindu Undivided Family (HUF), being a resident, where the total taxable income as reduced by long-term capital gains is below the basic exemption limit, such long-term capital gains will be reduced to the extent of the shortfall and only the balance long term capital gains will be subjected to such tax in accordance with the provision to Section 112A(1) of the Act or provision to Section 112(1) of the Act as the case may be.
6. Short-term capital gains arising on transfer of shares will be chargeable to tax at the rate of 20% (plus applicable surcharge and cess) as per the provisions of Section 111A of the Act if such transaction is chargeable to STT (subject to certain exceptions). In case of an individual or HUF, being a resident, where the total taxable income as reduced by short-term capital gains is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to such tax in accordance with the provision to Section 111A(1) of the Act.
7. The rate of surcharge on capital gains u/s 111A and u/s 112A of the Act arising on sale of equity shares for all taxpayers will not exceed 15% of the income-tax.
8. In terms of section 54F, an exemption can be availed for capital gains proceeds arising on long term assets on investment into residential house, subject to satisfaction of prescribed conditions.
9. As per Section 70 read with Section 74 of the Act short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any shall be carried forward and set-off against any capital gains (short term capital gains or long-term capital gains) arising during subsequent eight assessment years. As per Section 70 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be setoff only against long term capital gains. Balance loss, if any shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years. As per Section 71 of the Act short term capital loss or long-term capital loss for the year cannot be set-off against income under any other head for the same year.
10. Where the gains arising on the transfer of shares are included in the business income of an assessee, assessable under the head "Profit and Gains from Business or Profession" on which STT has been charged, such STT shall be a deductible expense from the business income as per the provisions of Section 36(1)(xv) of the Act.
11. Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. The rate of surcharge for all taxpayers will not exceed 15% on the income-tax. Further, deduction of expenses u/s. 57 of the Act shall be allowed against such dividend income only in respect of interest expense up to a maximum of 20% of such dividend.
12. Section 80M of the Act - Deduction in respect of certain inter-corporate dividends - Section 80M of the Act inter-alia provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, then such domestic company (subject to the provisions of this section) shall be allowed, in computing the total income, a deduction of an amount equal to the dividend received from such other domestic company, foreign company or business trust, to the extent such dividend does not exceed the amount of dividend distributed by it on or before one month prior to the due date for furnishing the return of income under sub-section (1) of section 139 of the Act.

#### **C. STATEMENT OF GENERAL DIRECT TAX BENEFITS AVAILABLE TO THE NON-RESIDENT SHAREHOLDERS / FOREIGN INSTITUTIONAL INVESTORS ("FII"):**

1. Under the provisions of Section 90(2) of the Act a non-resident will be governed by the provisions of the Double Taxation Avoidance Agreement ("DTAA") and the country of tax residence of the non-resident as modified by the Multilateral convention to implement Tax treaty related measures to prevent Base Erosion and Profit Shifting (MLI) or the provisions of the Act to the extent they are more beneficial to the non-resident.
2. Dividend income from equity shares is taxable in the hands of shareholders at the applicable tax rates. Further, deduction of expenses u/s. 57 of the Act shall be allowed against such dividend income only in respect of interest expense up to a maximum of 20% of such dividend. The domestic company declaring/distributing/paying dividends shall be liable to withhold taxes at 20% (plus applicable surcharge and cess) in accordance with section 115A (for FII non-resident shareholders) and section 196D of the Act (FIIs) subject to the provisions of the relevant DTAA read with the MLI (wherever applicable). The rate of surcharge for all taxpayers will not exceed 15% on the income-tax.

3. Income arising from transfer of shares held for more than 12 months and subject to STT, shall be considered as long-term capital assets. Assets not considered as long-term capital assets shall be considered as short-term capital assets. The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. The Central Board of Direct Taxes (CBDT) in a circular has clarified that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as “Capital Gains” unless the shareholder itself treats these as its Stock-in-trade and income arising from transfer thereof as its business income.
4. As per Section 2(14) of the Act transfer of any shares/securities by FIIs being invested in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 shall be treated as Capital Assets.
5. Section 112A of the Act provides for concessional rate of 12.5% (plus applicable surcharge and cess) on long term capital gains (exceeding ₹1,25,000) arising on transfer of equity shares, if STT has been paid on both acquisition and transfer in case of equity shares (subject to certain exceptions).

As per section 55(2)(ac) of the Act cost of acquisition of equity shares (referred in aforesaid Section 112A of the Act) acquired prior to February 1, 2018, shall be higher of -

- a) Cost of acquisition of asset; and
  - b) Lower of (I) The fair market value of the asset as defined in Explanation to Section 55(2)(ac) of the Act; and (II) The full value of consideration received or accruing as a result of transfer of the capital asset. For the purpose of this section, in case of listed equity shares, the FMV shall be the highest price quoted on a recognised stock exchange on January 31, 2018.
6. Long-term capital gains on capital assets other than the ones covered in section 112A are subject to tax under section 112 at a rate of 12.5% (plus applicable surcharge and cess) without the benefit of indexation.
  7. Short-term capital gains arising on transfer of the shares will be chargeable to tax at the rate of 20% (plus applicable surcharge and cess) as per the provisions of Section 111A of the Act if such transaction is chargeable to STT (subject to certain exceptions).
  8. The rate of surcharge on capital gains u/s. 111A and u/s. 112A of the Act arising on sale of equity shares for all taxpayers and capital gains on securities u/s. 115AD(1)(b) of the Act for FIIs will not exceed 15% on the income tax.
  9. As per Section 196D(2) of the Act no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares, payable to FIIs.
  10. As per Section 70 read with Section 74 of the Act short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains (short term capital gains or long-term capital gains) arising during subsequent eight assessment years. As per Section 70 read with Section 74 of the Act of the Act long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years. As per Section 71 of the Act short term capital loss or long-term capital loss for the year cannot be set-off against income under any other heads for the same year.
  11. Where the gains arising on the transfer of shares are included in the business income of an assessee assessable under the head “Profits and Gains from Business or Profession” and on which STT has been charged, such STT shall be a deductible expense from business income as per the provisions of Section 36(1)(xv) of the Act.
  12. As per Explanation 4 to Section 115JB(2), the provisions of Section 115JB shall not be applicable to a foreign company if the foreign company is a resident of a country having DTAA with India and such foreign company does not have a Permanent Establishment within the definition of the term in the relevant DTAA, or the foreign company is a resident of a country which does not have a DTAA with India and such foreign company is not required to seek registration under any law for the time being in force relating to companies.
  13. In respect of foreign companies which are not exempt from MAT provisions as per point 12 above, income earned from capital gains (whether long term or short term) arising on transactions in securities, dividend income, etc. will need to be adjusted / reduced (if such income is credited to Profit and Loss account and tax payable on such capital gains/dividend income under normal provisions is less than the MAT rate of 15%) from the book profits while computing MAT u/s. 115JB of the Act. Consequently, corresponding expenses shall also be excluded while computing MAT.

14. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement (“DTAA”), if any, between India and the country of residence of the non-resident. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the DTAA to the extent they are more beneficial to the non-resident. As per section 90(4) of the Act, the non-residents shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of their being a resident in any country outside India, is obtained by them from the government of that country or any specified territory. As per section 90(5) of the Act, the non-residents shall be required to provide such other document and information, as has been notified. Non-residents are also eligible for double taxation relief under section 90A of the Act if specified association in India has an agreement with a specified association in their country.

#### **E. SPECIFIC PROVISIONS APPLICABLE TO NON RESIDENT SHAREHOLDER BEING NON-RESIDENT INDIANS (NRIs):**

1. Besides the above benefits available to non-residents, NRIs have the option of being governed by the provisions of Chapter XII-A of the Act which, inter alia, entitles them to the following benefits in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreign exchange:

- a. Section 115D of the Act provides the circumstances under which the provisions of this section are applicable. It further provides that no deduction for any expenditure or allowance shall be permitted under any provision of the Act while computing the investment income of a NRI.
- b. Section 115F of the Act provides that, subject to the conditions and to the extent specified therein, long-term capital gains arising to NRIs from transfer of shares of the Company acquired out of convertible foreign exchange shall be exempt from capital gains tax if the net consideration is invested within 6 months of the date of transfer of the asset in any specified asset or in any saving certificates referred to in Section 10(4B) of the Act. In case the whole of the net consideration is not so invested, the exemption shall be allowed on a pro rata basis.
- c. Section 115E of the Act provides that NRIs will be taxed at 12.5% (plus applicable surcharge and cess) on long-term capital gains arising on sale of shares of the Company which are acquired in convertible foreign exchange.
- d. In accordance with the provisions of Section 115H of the Act when NRIs become assessable as resident in India, they may furnish a declaration in writing to the Assessing Officer along with their return of income for that year u/s. 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to them in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are transferred or converted into money.
- e. As per the provisions of Section 115-I of the Act NRIs may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing their return of income for that year u/s. 139 of the Act declaring therein that the provisions of Chapter XII-A shall not apply to them for that assessment year and accordingly, their total income for that assessment year will be computed in accordance with the other provisions of the Act.

#### **F. SPECIFIC PROVISIONS APPLICABLE TO MUTUAL FUNDS:**

Section 10(23D) of the Act provides that any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

As per Section 196 of the Act no tax is to be deducted from any income payable to a Mutual Fund specified u/s. 10(23D) of the Act.

#### **G. SPECIFIC PROVISIONS APPLICABLE TO INSURANCE COMPANIES:**

As per Section 194 of the Act no tax is to be deducted from payment of dividends to:

- (a) the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956), in respect of any shares owned by it or in which it has full beneficial interest;
- (b) the General Insurance Corporation of India (hereafter in this proviso referred to as the Corporation) or to any of the four companies (hereafter in this proviso referred to as such company), formed by virtue of the schemes framed under sub-section (1) of section 16 of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), in respect of any shares owned by the Corporation or such company or in which the Corporation or such company has full beneficial interest;
- (c) any other insurer in respect of any shares owned by it or in which it has full beneficial interest;

## **H. SPECIFIC PROVISIONS APPLICABLE TO VENTURE CAPITAL COMPANIES/ FUNDS:**

Section 10(23FB) of the Act provides that any income of Venture Capital Company or Venture Capital Fund, to whom the certificate of registration is granted under SEBI (Venture Capital Funds) Regulations, 1996 before May 21, 2012 or has been granted a certificate of registration as Venture Capital Fund as a sub-category I Alternative Investment Fund and is regulated under SEBI (Alternative Investment Funds Regulations) 2012, under the SEBI Act, 1992, from a Venture Capital Undertaking would be exempt from income tax, subject to conditions specified therein. As per Section 115U of the Act any income derived by a person from his investment in Venture Capital Company/Venture Capital Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing or arising to or received by such person had the investments been made directly in the Venture Capital Undertaking.

## **I. SPECIFIC PROVISIONS APPLICABLE TO INVESTMENT FUNDS:**

1. Income of an Investment Fund, being a Trust, Company, Limited Liability Partnership or a body corporate which has been granted a certificate of registration and is regulated under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as Category I or Category II Alternate Investment Fund, other than the income chargeable under the head 'profits and gains of business and profession' shall be exempt from tax u/s. 10(23FBA) of the Act. No such exemption is available to Category III Alternative Investment Funds under section 10(23FBA) of the Act.

2. Section 115UB of the Act provides that the income chargeable under the head 'profits and gains of business and profession' shall be taxed in the hands of investment fund depending on the legal status (i.e. a company, a limited liability partnership, body corporate or a Trust) of the Fund and at the rate or rates as specified in the Finance Act of the relevant year. However, income (other than income chargeable under the head profits and gains of business or profession) of the unit holder out of the investment made in such investment fund is chargeable to income-tax in the same manner as if it were income accruing or arising to, or received by, such unit holder had the investments, made by the Investment Fund, been made directly by him. Further, the income accruing or arising to or received by the Investment Fund if not paid or credited to a person (who has made investments in an Investment Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in that previous year.

## **J. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS UNDER THE ACT**

No Special Tax benefits are available to the shareholders.

## **K. REQUIREMENT TO FURNISH PAN UNDER THE ACT:**

1. Section 139A(5A) of the Act requires every person receiving any sum or income or amount from which tax is required to be deducted under Chapter XVII-B of the Act to furnish his PAN to the person responsible for deducting such tax.

2. Section 206AA of the Act requires every person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVII-B ("deductee") to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:

- a) at the rate specified in the relevant provision of the I. T. Act; or
- b) at the rate or rates in force; or
- c) at the rate of 20.00%

Accordingly, in case the shareholders do not intimate PAN to the company (which includes the Bank) paying dividends, then TDS shall be deducted at 20.00% on the amount of dividend.

3. As per Rule 37BC, the higher rate u/s. 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect, of payment of dividend, if the non-resident deductee furnishes the prescribed details including, inter alia, Tax Residency Certificate (TRC) and Tax Identification Number (TIN) of the deductee in the country of his residence.

4. Linking of Aadhaar with PAN is mandatory, in case of non-linking, PAN will become inoperative. As a result of PAN becoming inoperative, tax as deductible under Chapter XVII-B in case of such person, shall be deducted at higher rate, in accordance with the provisions of section 206AA.

### **Notes:**

1. The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. The above statement of possible tax benefits is as per the current direct tax laws. Several of these benefits are dependent on the company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.

4. This Statement is prepared on the basis of information available with the management of the Bank and there is no assurance that:

(i) The Bank or its shareholders will continue to obtain these benefits in future; (ii) The conditions prescribed for availing the benefits have been/ would be met with; and (iii) The revenue authorities/courts will concur with the view expressed herein.

Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

## CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Equity Shares by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Equity Shares in this offering that are U.S. Holders that will hold the Equity Shares as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Equity Shares by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-U.S. or other tax laws (such as estate or gift tax laws). This summary also does not address tax considerations applicable to investors that own (directly, indirectly or by attribution) 10 per cent. or more of the equity interests of the Bank by vote or value, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Equity Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Equity Shares in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad or investors whose functional currency is not the U.S. dollar).

As used herein, the term “**U.S. Holder**” means a beneficial owner of Equity Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Equity Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Equity Shares by the partnership.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed Treasury regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and India (the “**Treaty**”), all as of the date hereof and all subject to change at any time, possibly with retroactive effect. No rulings have been requested from the U.S. Internal Revenue Service (the “**IRS**”) and there can be no guarantee that the IRS would not challenge, possibly successfully, the treatment described below.

**THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF THE EQUITY SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.**

### **Distributions**

This section is subject to further discussion under “—*Passive Foreign Investment Company Considerations*” below.

Distributions of cash and property paid by the Bank out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), before reduction for any Indian withholding tax with respect thereto, generally will be taxable to a U.S. Holder as dividend income. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder’s basis in the Equity Shares and thereafter as capital gain. However, the Bank does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Bank with respect to Equity Shares will be treated as ordinary dividend income. Such dividend income will not be eligible for the dividends received deduction allowed to corporations. U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Bank.

Dividends paid by the Bank generally will be taxable to a non-corporate U.S. Holder at the special reduced rate normally applicable to long-term capital gains, provided the Bank qualifies for the benefits of the Treaty, and certain holding period and other requirements are met. A U.S. Holder will not be able to claim the reduced rate on dividends received from the Bank if the Bank is treated as a passive foreign investment company in the taxable year of the Bank in which the dividends are received or in the preceding taxable year. See “—*Passive Foreign Investment Company Considerations*” below. Prospective purchasers should consult their tax advisers regarding the qualified dividend income rules and the availability of the reduced rates in their particular circumstances.

Dividends paid in Indian rupees will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received by the U.S. Holder, regardless of whether the Indian rupees are converted into U.S. dollars at that time. If dividends received in Indian rupees are converted into U.S. dollars at the spot rate applicable on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

A U.S. Holder may be entitled, subject to certain complex limitations and requirements, to a credit against its U.S. federal income tax liability for Indian income taxes withheld by the Bank on payments of dividends (at a rate not exceeding any applicable Treaty rate). Dividends generally will constitute foreign source “passive category income” for purposes of the foreign tax credit. The rules governing foreign tax credits are complex and final U.S. Treasury regulations (“**Final FTC Regulations**”) have imposed additional requirements that must be met for a foreign tax to be creditable, and we do not intend to determine whether such requirements are met. However, notices (the “**Notices**”) from the IRS indicate that the U.S. Treasury and the IRS are considering proposing amendments to the Final FTC Regulations and allow taxpayers, subject to certain conditions, to defer the application of many aspects of the Final FTC Regulations until the date when a notice or other guidance withdrawing or modifying this temporary relief is issued (or any later date specified in such notice or other guidance). In lieu of claiming a credit, subject to applicable limitations and requirements, a U.S. Holder may be able to take a deduction for such taxes. An election to deduct foreign creditable taxes instead of claiming foreign tax credits must be applied to all creditable foreign taxes paid or accrued in the U.S. Holder’s taxable year. Prospective purchasers should consult their tax advisers regarding the creditability (or alternatively, deductibility) of any Indian taxes withheld and any applicable limitations in their particular circumstances.

### ***Sale or Other Taxable Disposition***

This section is subject to further discussion under “—*Passive Foreign Investment Company Considerations*” below.

Upon a sale or other taxable disposition of Equity Shares, a U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other taxable disposition and the U.S. Holder’s adjusted tax basis in the Equity Shares, in each case as determined in U.S. dollars. This capital gain or loss will generally be long-term capital gain or loss if the U.S. Holder’s holding period in the Equity Shares exceeds one year. Non-corporate U.S. Holders are subject to tax on long-term capital gain at reduced rates. The deductibility of capital losses is subject to significant limitations. U.S. Holders should consult their own tax advisers about how to account for proceeds received on the sale or other taxable disposition of Equity Shares that are not paid in U.S. dollars.

Gain or loss, if any, realized by a U.S. Holder on the sale or other disposition of Equity Shares generally will be treated as U.S. source gain or loss for U.S. foreign tax credit limitation purposes. As a result, the use of U.S. foreign tax credits relating to any Indian income tax imposed upon gains in respect of Equity Shares may be limited. Moreover, under the Final FTC Regulations described above (and subject to the Notices described above), Indian income taxes on disposition gains of U.S. Holders that are not entitled to, or do not elect to apply, the benefits of the Treaty, are generally not creditable for U.S. federal income tax purposes. Indian income taxes on disposition gains that are not creditable may reduce the amount realized on the disposition of Equity Shares or alternatively may be deductible. Indian STT is not creditable for U.S. federal income tax purposes. U.S. Holders should consult their tax advisers regarding the tax consequences if income taxes are imposed on a taxable disposition of Equity Shares, including their ability to credit or deduct any Indian income tax against their U.S. federal income tax liability, the proper application of the Treaty (which in some respects is not entirely clear), the determination of the amount realized and disclosure obligations of any Treaty-based tax return position, as well as the proper U.S. federal income tax treatment of Indian STT (including whether Indian STT is deductible, increases the adjusted tax basis in the Equity Shares or reduces the amount realized on disposition).

### ***Passive Foreign Investment Company Consideration***

A non-U.S. corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable “look-through rules”, either (i) at least 75 per cent. of its gross income is “passive income” or (ii) at least 50 per cent. of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. For these purposes, “passive income” generally includes interest, dividends, rents, royalties and gains from non-dealer securities transactions.

Although interest income is generally treated as passive income, under proposed Treasury regulations that taxpayers may currently rely on, gross income derived in the active conduct of certain banking activities is treated as non-passive income provided that certain requirements are satisfied. Based on such proposed regulations, the Bank’s current and projected composition of income and assets, and the manner in which the Bank operates its business, the Bank does not believe that it was a PFIC in its most recent taxable year and does not expect to be a PFIC for its current taxable year. However, the Bank’s possible status as a PFIC must be determined annually after the close of each taxable year, and the composition of its income and assets will vary over time. Moreover, there is no assurance that the proposed regulations will be finalized in their current form, and the proper application of the PFIC rules (including the proposed regulations) is subject to certain uncertainties. Accordingly, there can be no assurance that the Bank will not be a PFIC for any taxable year.

If the Bank is a PFIC in any year during which a U.S. Holder holds the Equity Shares and such holder has not made any of the elections described below, the U.S. Holder will generally be subject to special rules with respect to (i) any “excess distribution” (generally, the excess of the total amount of distributions during a taxable year in which distributions received by the U.S. Holder on the Equity Shares exceed 125 per cent. of the average annual distributions received by the U.S. Holder in the three preceding taxable years or, if shorter, the U.S. Holder’s holding period for the Equity Shares) and (ii) any gain realised on the sale or other disposition of the Equity Shares. Under these rules (a) the excess distribution or gain will be allocated ratably over the U.S. Holder’s holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which the Bank is a PFIC will be taxed as ordinary income, and (c) the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year and an interest charge for the deemed deferral benefit will be imposed with respect to the resulting tax attributable to each such other taxable year. If the Bank is a PFIC for any taxable year during which a U.S. Holder holds the Equity Shares, the Bank would generally continue to be treated as a PFIC with respect to such U.S. Holder for all succeeding years during which such holder owns the Equity Shares, even if the Bank ceases to meet the threshold requirements for PFIC status (unless the U.S. Holder makes a deemed sale election with respect to the Equity Shares once the Bank is no longer a PFIC). U.S. Holders should consult their tax advisers regarding the application of the PFIC rules to their ownership of the Equity Shares.

If the Bank is a PFIC for any taxable year, to the extent any of its subsidiaries (or other entities in which it holds equity interests) are also PFICs, a U.S. Holder will generally be deemed to own equity interests in such lower-tier PFICs that are directly or indirectly owned by the Bank in the proportion which the value of the Equity Shares owned by such U.S. Holder bears to the value of all of the Bank’s equity interests, and such U.S. Holder will generally be subject to the tax consequences described above (and the IRS Form 8621 reporting requirement described below) with respect to the equity interests of such lower-tier PFIC the U.S. Holder is deemed to own. As a result, if the Bank receives a distribution from any lower-tier PFIC or sells equity interests in a lower-tier PFIC, a U.S. Holder will generally be subject to tax under the excess distribution rules described above in the same manner as if such U.S. Holder had held a proportionate share of the lower-tier PFIC equity interests directly, even if such amounts are not distributed to the U.S. Holder. The application of the PFIC rules to indirect ownership of any lower-tier PFIC held by the Bank is complex and uncertain, and U.S. Holders should therefore consult their own tax advisers regarding the application of such rules to their ownership of Equity Shares.

If the Bank is a PFIC in a taxable year and the Equity Shares are treated as “marketable stock” in such year, a U.S. Holder may make a mark-to-market election with respect to its Equity Shares. Stock of a non-U.S. corporation would be treated as “marketable stock” only if the stock is “regularly traded” on a “qualified exchange or other market”. A U.S. Holder that makes such election for the first taxable year in which the Bank is a PFIC generally will not be subject to the PFIC rules described above. Instead, in general, such U.S. Holder will include as ordinary income each year the excess, if any, of the fair market value of the Equity Shares at the end of the taxable year over the U.S. Holder’s adjusted basis in the Equity Shares. Such U.S. Holder will also be allowed to take an ordinary loss in respect of the excess, if any, of such holder’s adjusted basis in the Equity Shares over the fair market value of such Equity Shares at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). The U.S. Holder’s basis in the Equity Shares will be adjusted to reflect any such income or loss amounts. Any gain that is recognised on the sale or other taxable disposition of Equity Shares would be ordinary income and any loss would be an ordinary loss to the extent of the net amount of previously included income as a result of the mark-to-market election and, thereafter, a capital loss. However, no assurance can be given that the Equity Shares qualify as marketable stock, as the IRS has not identified any specific non-U.S. exchange that is treated as a “qualified exchange or other market” and there could also be no assurance that there would be sufficient trading of the Equity Shares for them to be characterised as “regularly traded”. Therefore, no assurance can be provided that a U.S. Holder would be able to make a mark-to-market election with respect to the Equity Shares. Moreover, because a mark-to-market election cannot technically be made for equity interests in any lower-tier PFICs of the Bank that are not treated as “marketable stock” themselves, a U.S. Holder would continue to be subject to the excess distribution rules with respect to any lower-tier PFICs, any distributions received by the Bank from a lower-tier PFIC and any gain recognised by the Bank upon a sale of equity interests of a lower-tier PFIC, even if a mark-to-market election has been made by the U.S. Holder with respect to its Equity Shares. The interaction of the mark-to-market rules and the rules governing lower-tier PFICs is complex and uncertain, and U.S. Holders should therefore consult their own tax advisers regarding the availability and advisability of the mark-to-market election as well as the application of the PFIC rules to their ownership of the Equity Shares.

In some cases, a shareholder of a PFIC may be subject to alternative treatment by making a qualified electing fund (“QEF”) election to be taxed currently on its share of the PFIC’s undistributed income. To make a QEF election, the Bank must provide U.S. Holders with certain information compiled according to U.S. federal income tax principles. The Bank currently does not intend to provide such information to U.S. Holders and therefore it is expected that this election will be unavailable.

A U.S. Holder will not be able to claim the reduced rates on dividends described under “Dividends” above if the Bank is treated as a PFIC in the taxable year of the Bank in which the dividends are received or in the preceding taxable year.

A U.S. Holder who owns, or who is treated as owning, PFIC stock during any taxable year in which the Bank is classified as a PFIC may be required to file IRS Form 8621. Prospective investors should consult their tax advisers regarding the requirement to file IRS Form 8621 and the potential application of the PFIC regime to their investment in the Bank.



***Backup Withholding and Information Reporting***

Payments of dividends on, and proceeds from the sale or other taxable disposition of, Equity Shares by a U.S. or U.S.-connected paying agent or other U.S. or U.S.-connected intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the ownership or disposition of Equity Shares, including reporting obligations related to the holding of certain “specified foreign financial assets”.

## STATUTORY AUDITORS

As on the date of this Placement Document, M/s. Ravi Rajan & Co. LLP, Chartered Accountants, M/s. Gokhale & Sathe, Chartered Accountants, M/s. JLN US & Co., Chartered Accountants, M/s R G N Price & Co., Chartered Accountants, M/s. Rama K Gupta & Co., Chartered Accountants, M/s. Vinod Kumar & Associates, Chartered Accountants, M/s. Varma & Varma, Chartered Accountants, M/s. O P Bagla & Co., Chartered Accountants, M/s. Gopal Sharma & Co., Chartered Accountants, M/s. B C Jain & Co., Chartered Accountants, M/s. S G C O & Co. LLP, Chartered Accountants are the Statutory Central Auditors of our Bank (the “**Statutory Auditors**”). Our Bank’s financial statements are prepared in accordance with Indian GAAP under the guidelines issued by the ICAI, guidelines issued by the RBI from time to time and practices generally prevailing in the banking industry in India. The Bank’s financial statements included in this Placement Document were audited, as the case may be, by a rotation of auditors appointed by RBI.

Our audited consolidated financial statements as at and for Fiscals 2025, included in this Placement Document were audited by M/s. Ravi Rajan & Co. LLP, Chartered Accountants. Our audited standalone financial statements as at and for Fiscals 2025, included in this Placement Document were audited by M/s. Ravi Rajan & Co., LLP, Chartered Accountants, M/s. Gokhale & Sathe, Chartered Accountants, M/s. JLN US & Co., Chartered Accountants, M/s R G N Price & Co., Chartered Accountants, M/s. Rama K Gupta & Co., Chartered Accountants, M/s. Vinod Kumar & Associates, Chartered Accountants, M/s. Varma & Varma, Chartered Accountants, M/s. O P Bagla & Co. LLP, Chartered Accountants, M/s. Gopal Sharma & Co., Chartered Accountants, M/s. B C Jain & Co., Chartered Accountants, M/s. S G C O & Co. LLP, Chartered Accountants.

Our audited consolidated financial statements as at and for Fiscals 2024, included in this Placement Document were audited by M/s K C Mehta & Co. LLP, Chartered Accountants. Our audited standalone financial statements as at and for Fiscals 2024 included in this Placement Document were audited by M/s Suri & Co., Chartered Accountants, M/s Gokhale & Sathe, Chartered Accountants, M/s V Singhi & Associates, Chartered Accountants, M/s R G N Price & Co., Chartered Accountants, M/s M K Aggarwal & Co., Chartered Accountants, M/s JLN US & Co., Chartered Accountants, Rama K Gupta & Co., Chartered Accountants, M/s Talati & Talati LLP, Chartered Accountants, M/s K C Mehta & Co. LLP, Chartered Accountants, M/s Vinod Kumar & Associates, Chartered Accountants, M/s Ravi Rajan & Co. LLP, Chartered Accountants and M/s M C Bhandari & Co., Chartered Accountants.

Our audited consolidated financial statements as at and for Fiscals 2023, included in this Placement Document were audited by M/s K C Mehta & Co. LLP Chartered Accountants. Our audited standalone financial statements as at and for Fiscals 2023, included in this Placement Document were audited by M/s A S A & Associates LLP, Chartered Accountants, M/s Guha Nandi & Co., Chartered Accountants, M/s Prem Gupta & Co., Chartered Accountants, M/s M.C. Bhandari & Co., Chartered Accountants, M/s Talati & Talati LLP, Chartered Accountants, M/s V Singhi & Associates, Chartered Accountants, M/s Suri & Co., Chartered Accountants, M/s K C Mehta & Co. LLP, Chartered Accountants, M/s Gokhale & Sathe, Chartered Accountants M/s M.K. Aggarwal & Co., Chartered Accountants, M/s Ravi Rajan & Co. LLP, Chartered Accountants and M/s JLN US & Co., Chartered Accountants.

## LEGAL PROCEEDINGS

Our Bank and its Subsidiaries, from time to time, are involved in various litigation proceedings in the ordinary course of our business. Our Bank believes that the number of proceedings and disputes in which our Bank and our Subsidiaries are involved is not unusual for a bank of our size in the context of doing business in India and in international markets. These legal proceedings involving our Bank, its directors, employees and Subsidiaries are primarily in the nature of, amongst others, civil suits, recovery proceedings initiated by us to recover pending dues from our customers against advances made by our Bank, criminal cases filed by us in cases of dishonour of cheques or fraud cases, claims against the Bank in relation to erroneous or unauthorised debit from customer accounts, wrongful credit or dishonour of cheques, criminal and labour-related proceedings against our Bank, claims in relation to repossession of assets by our Bank, proceedings initiated under the SARFAESI Act, consumer claims for deficiency in service, claims involving forgery of documents, alleged frauds, and criminal proceedings and tax matters. These legal proceedings may have been initiated by us or by customers, regulators or other parties against us, and are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. Further, certain regulatory and statutory authorities such as the RBI, the banking ombudsman, various tax authorities and other authorities have, in the past, taken action and/or imposed penalties against our Bank.

Solely for the purpose of this Issue, our Bank has disclosed in this section, to the extent applicable: (i) any outstanding action initiated by regulatory and statutory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) involving our Bank and Material Subsidiary, (ii) any outstanding civil litigation or tax proceedings involving our Bank and Material Subsidiary, where the amount involved is ₹33.38 billion (being 5% of the average absolute value of profit or loss after tax, as per the last three audited consolidated financial statements) or above, (iii) all outstanding litigation involving our Bank and Material Subsidiary, which are non-quantifiable and may have a material adverse effect on our Bank or which may otherwise be material for our Bank, and (iv) outstanding legal proceedings which have been considered material in accordance with our Bank's "Policy for Determination of Materiality of Events / Information and its Disclosure", framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by our Board pursuant to its resolution dated May 17, 2016 and last revised pursuant to the resolution dated October 18, 2024 passed by the Board.

It is clarified that for the purposes of the above, pre-litigation notices received by our Bank, and its Material Subsidiary from third parties (excluding those notices issued by statutory/regulatory authorities) have not been disclosed in this Placement Document unless the above-mentioned entities have been impleaded as a defendant or respondent in a litigation proceeding before any judicial forum or arbitral tribunal.

### I. Litigation involving our Bank

#### **Material civil proceedings**

1. Punjab National Bank ("**PNB**") filed an application under Section 7 of the IBC before the NCLT, New Delhi for initiation of corporate insolvency resolution process against Bhushan Power and Steel Limited ("**BPSL**"), which application was admitted on July 26, 2017. Pursuant to the claims received by the creditors including our Bank, the resolution professional admitted claims of financial creditors for an amount of ₹472.05 billion against BPSL. Subsequently, a committee of creditors ("**CoC**") was constituted in which our Bank was a member. JSW Steel Limited filed a resolution plan ("**Resolution Plan**") which was approved by the CoC and subsequently by the NCLT *vide* its order dated September 5, 2019 ("**NCLT Order**"). Thereafter, the Directorate of Enforcement passed an order dated October 10, 2019 ("**Provisional Order**") provisionally attaching the assets of BPSL under Section 5 of the Prevention of Money Laundering Act, 2002. The NCLAT *vide* its order dated October 14, 2019 imposed a stay on the Provisional Order as well as the resolution plan so far as it related to the payment of creditors. Thereafter, the NCLAT *vide* its order dated February 17, 2020 ("**NCLAT Order**") affirmed the NCLT Order with certain modifications and clarifications noting that *inter alia* protection of properties from attachment under Section 32A of the IBC is available to JSW. Kalyani Transco ("**Operational Creditor**") and Sanjay Singhal and Arti Singhal ("**Erstwhile Promoters of BPSL**") filed an appeal against the NCLAT Order before the Supreme Court challenging the applicability of protection under 32A of the IBC. The Supreme Court *vide* its order dated May 2, 2020 ("**Impugned Judgement**") set aside the NCLAT Order and consequently rejected the Resolution Plan for *inter alia* not being in conformity with Sections 30(2) and 31(2) of the IBC. Our Bank and PNB have filed review petitions each dated July 3, 2025 before the Supreme Court of India against (a) the Operational Creditor and others; and (b) the Erstwhile Promoters of BPSL and others, contending that the Impugned Judgement has *inter alia* erroneously quashed and set aside the NCLAT Order. The matter is currently pending.
2. Aircel Cellular Limited and Dishnet Wireless Limited (collectively referred to as "**Aircel Entities**") availed term loan facility from certain domestic lenders of an amount of ₹137.29 billion, including a term loan of ₹39.00 billion from our Bank. The Aircel Entities started defaulting in repayment of debts owed to their domestic lenders including our Bank. Consequently, Aircel Entities filed an application dated February 12, 2018 under Section 10 of the IBC for initiation of the corporate insolvency resolution process. Subsequently, a committee of creditors ("**CoC**") was constituted in which our Bank was a member. UV Asset Reconstruction Company Limited filed a resolution plan ("**Resolution Plan**") which was approved by the CoC and subsequently by the NCLT *vide* its order dated June 9, 2020 ("**NCLT Order**").

Thereafter, the Supreme Court of India referred specific questions of law regarding the bona fides of telecom insolvencies to the National Company Law Appellate Tribunal, Principal Bench, New Delhi (“**NCLAT**”) for adjudication, which subsequently issued the order dated April 13, 2021 (“**Impugned Order**”). Aggrieved by the Impugned Order, our Bank acting on behalf of the committee of creditors of Aircel Entities filed a civil appeal on May 4, 2021 (“**Appeal**”) before the Supreme Court of India against the Union of India, Vijaykumar V. Iyer, erstwhile resolution professional of Aircel Entities, and UV Asset Reconstruction Company Limited, resolution applicant of Aircel Entities, under Section 62 of the IBC. The matter is currently pending.

3. The Videocon Group (“**V Group**”) availed term loan facility from certain domestic lenders for an amount of ₹592.59 billion, including a term loan of ₹114.87 billion from our Bank. The V Group started defaulting in repayment of debts owed to their domestic lenders including our Bank. Owing to defaults committed by the V Group, the SBI along with certain domestic lenders (“**Consortium Banks**”) filed petitions against the V Group before National Company Law Tribunal, Mumbai. Consequently, the Consortium Banks filed an application under Section 7 of the IBC dated October 24, 2018 before the NCLT, Mumbai for initiation of corporate insolvency resolution process against the V Group.

Subsequently, a committee of creditors (“**CoC**”) was constituted in which our Bank was a member. Twin Star Technologies Limited (“**Resolution Applicant**”) filed a resolution plan (“**Resolution Plan**”) which was approved by the CoC and subsequently by the NCLT vide its order dated June 8, 2021 (“**NCLT Order**”). The Resolution Plan was challenged by the Consortium Banks and others before the National Company Law Appellate Tribunal, Principal Bench, New Delhi (“**NCLAT**”). The NCLAT passed an order dated July 19, 2021 (“**Impugned Order**”) staying the NCLT Order. Thereafter, Resolution Applicant filed a civil appeal dated May 4, 2021 (“**Appeal**”) before the Supreme Court of India against Consortium Banks and others challenging the Impugned Order. The matter is currently pending.

4. Our Bank as part of a consortium of lenders, filed an original application on July 6, 2018 (“**OA**”) before the Debt Recovery Tribunal II, Ahmedabad against Ashok B. Jiwrajka and others (“**Respondents**”) under Section 19 of the RDB for recovery of outstanding dues arising from credit facilities extended to Alok Industries Limited (“**Borrower**”). The facilities, totaling ₹82.17 billion, were *inter alia* secured by personal guarantees furnished by the individual Respondents (“**Personal Guarantee**”) and corporate guarantees furnished by Alok Infrastructure Limited and Alok Knit Exports Private Limited (“**Corporate Guarantee**”) and together with the Personal Guarantee, “**Guarantees**”), along with mortgages and hypothecation of certain properties and assets of the Borrower. Following defaults, the Borrower’s account was classified as a non-performing asset (“**NPA**”) on March 31, 2015. Our Bank invoked the Guarantees on February 27, 2018, and filed the OA seeking *inter alia* recovery of ₹120.79 billion with further interest and enforcement of Guarantees. Separately, Our Bank filed a company petition (“**Company Petition**”) under Section 7 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal, Ahmedabad Bench (“**NCLT**”), against the Borrower on June 29, 2017 for initiation of the corporate insolvency resolution process (“**CIRP**”). The NCLT vide its order dated July 18, 2017 admitted the Company Petition against the Borrower. Consequently, the corporate insolvency resolution process commenced on July 18, 2017 and a moratorium as contemplated under Section 14 of the Insolvency and Bankruptcy Code, 2016 was declared against the Borrower. Thereafter, the resolution plan was approved by the NCLT vide its order dated March 8, 2019. The OA is currently pending.
5. Venugopal Dhoot (“**Appellant**”) has filed a company appeal against VOV Limited (“**VOVL**”), Videocon Industries Limited (“**VIL**”), Committee of Creditors of VOV (led by our Bank) and others before the National Company Law Appellate Tribunal, New Delhi Bench, New Delhi (“**NCLAT**”) under Section 61 of the IBC against the order dated June 26, 2024 (“**Order**”) passed by the National Company Law Tribunal, Mumbai Bench (“**NCLT**”). The NCLT vide the Order rejected the application made by the Applicant seeking rejection of the resolution plan submitted by Bharat Petroleum Corporation Limited for VOV and permitted the resolution plan for VOV to proceed, including the sale of foreign oil and gas assets. Further, the Tribunal restored the status quo order dated August 22, 2019 passed by the NCLAT which restrained our Bank from dealing with the foreign oil and gas assets. The matter is currently pending.
6. Parekh Platinum Limited (“**Plaintiff**”) has filed a suit for compensation dated March 16, 2011, against the Bank and others (“**Defendants**”) before the City Civil Court, Ahmedabad and prayed to the court to pass a decree for, *inter alia*, holding the Defendants jointly and severally liable and ordering them to pay an amount of ₹34.63 billion with interest at the rate of 12% per annum from the date of the suit until realization in favour of the Plaintiff. The Plaintiff had availed certain facilities from a consortium of lenders including our Bank. In lieu of the Plaintiff’s inability to repay the facilities, the lead bank of the consortium appointed a special investigation auditor (“**SIA**”) for carrying out an investigation into the affairs of the Bank. Based on the report prepared by the SIA, credit facilities granted to the Plaintiff by the consortium were withdrawn and the Plaintiff was classified as a sick unit by the Board for Industrial and Financial Reconstruction. The Plaintiff claimed that it suffered losses to the extent of ₹34.63 billion because of the conspiracy of the Defendants to enlist the services of the SIA and other such wrongful actions of the Defendants. The matter is currently pending.

### Material tax litigation

1. For the assessment year 2018-2019 (“**Assessment Year**”), our Bank filed income tax return before the income tax authorities. The Assistant Commissioner of Income Tax, Mumbai (“**Assessing Officer**”) passed an order dated March 21, 2024 against our Bank (“**Assessment Order**”) under Section 143(3) and 147 of the IT Act. Aggrieved by the

Assessment Order, our Bank had filed an appeal before the Commissioner of Income Tax, National Faceless Appeal Centre, Delhi (“**CIT**”). The CIT passed an order dated January 10, 2025 under Section 250 of the IT Act disallowing certain claims under Section 40 (a)(i) of the IT Act for payments made to Mastercard and Visa, bad and doubtful debts allowed under Section 36(1)(vii) of the IT Act, among others (“**CIT Order**”). Aggrieved by the CIT Order, our Bank has filed an appeal dated February 21, 2025 (“**Appeal**”) before the Income Tax Appellate Tribunal (“**ITAT**”). The total tax effect for this case as per the Appeal is ₹53.44 billion. The matter is currently pending.

2. For the assessment year 2019-2020 (“**Assessment Year**”), our Bank filed income tax return before the income tax authorities. The Assistant Commissioner of Income Tax, Mumbai (“**Assessing Officer**”) passed an order dated March 28, 2023 against our Bank (“**Assessment Order**”) under Section 143(3) of the IT Act. Aggrieved by the Assessment Order, our Bank had filed an appeal before the Commissioner of Income Tax, National Faceless Appeal Centre, Delhi (“**CIT**”). The CIT passed an order dated January 23, 2025 under Section 250 of the IT Act disallowing certain claims, interest expense on innovative perpetual debt instruments, taxing of income from foreign branches, depreciation on leased assets, among others (“**CIT Order**”). Aggrieved by the CIT Order, our Bank has filed an appeal dated March 1, 2025 (“**Appeal**”) before Income Tax Appellate Tribunal (“**ITAT**”), Mumbai. The total tax effect for this case as per the Appeal is ₹65.52 billion. The matter is currently pending.
3. For the assessment year 2008-2009 (“**Assessment Year**”), our Bank filed income tax return before the income tax authorities. The Assistant Commissioner of Income Tax, Mumbai (“**Assessing Officer**”) passed an order dated March 29, 2010 against our Bank (“**Assessment Order**”) under Section 143(3) of the IT Act. Aggrieved by the Assessment Order, our Bank had filed an appeal before the Commissioner of Income Tax, Mumbai (“**CIT**”). The CIT passed an order dated March 8, 2016 under Section 250 of the IT Act (“**CIT Order**”). Aggrieved by the CIT Order, our Bank has filed an appeal before Income Tax Appellate Tribunal (“**ITAT**”), Mumbai. The ITAT passed an order dated February 3, 2020 (“**ITAT Order**”) allowing relief to our Bank on various issues such as provision for privilege leave encashment, provisions for employee benefits, amongst others tax claims. Aggrieved by the ITAT Order, the Principal Commissioner of Income Tax filed an appeal dated October 30, 2021 (“**Appeal**”) against our Bank before the Bombay High Court on the issues allowed in favour of Bank which is having tax effect of ₹47.34 billion, as per the Appeal. The matter is currently pending.
4. For the assessment year 2017-2018 (“**Assessment Year**”), our Bank filed income tax return before the income tax authorities. The Assistant Commissioner of Income Tax, Mumbai (“**Assessing Officer**”) passed an order dated March 16, 2019 against our Bank (“**Assessment Order**”) under Section 143(3) of the IT Act. Aggrieved by the Assessment Order, our Bank had filed an appeal before the Commissioner of Income Tax, Mumbai (“**CIT**”). The CIT passed an order dated December 24, 2021 under Section 250 of the IT Act disallowing certain claims pertaining to total income of the Bank, broken period interest amongst others (“**CIT Order**”). Aggrieved by the CIT Order, our Bank has filed an appeal dated February 17, 2022 (“**Appeal**”) before the Income Tax Appellate Tribunal (“**ITAT**”). The total tax effect for this case as per the Appeal is ₹238.63 billion. The matter is currently pending.
5. For the assessment year 2021-2022 (“**Assessment Year**”), our Bank filed income tax return before the income tax authorities. The Assessment Unit, Income Tax Department & ACIT - 2(2)(1), Mumbai (“**Assessing Officer**”) passed an order dated October 15, 2024 against our Bank under Section 143(3) read with Section 144C(13) and Section 144B of the IT Act disallowing certain claims including taxation of guarantee commission and deferred commission on issuance of letter of credit and bank guarantee, loss on revaluation of investments/ provision for amortization of premium paid on securities in held to maturity category, income from foreign countries, provision for wage revision, provision for pension among others (“**Assessment Order**”). Aggrieved by the Assessment Order, our Bank filed an application for rectification before the Assistant Commissioner of Income Tax – Circle 2(2)(1) (“**ACIT**”) and claimed, *inter alia*, that in the computation sheet attached with the Assessment Order, the total income of our Bank for the Assessment Year was reflected incorrectly. The ACIT passed an order dated October 25, 2024 under Section 154 of the IT Act and allowed, *inter alia*, rectification of the total income given in the computation sheet and granted credit of tax deducted at source and tax collected at source (“**ACIT Order**”) and observed that the balance amount payable by our Bank is ₹57.91 billion. Aggrieved by the ACIT Order, our Bank filed an appeal before the Joint Commissioner (Appeals) or the Commissioner of Income Tax (Appeals) claiming that there was a short grant of, *inter alia*, double taxation relief and short grant of credit of tax deducted at source and tax collected at source. Separately, our Bank also filed an appeal before Income Tax Appellate Tribunal dated December 16, 2024 against the Assessment Order. The matter is currently pending.
6. For the assessment year 2020-2021 (“**Assessment Year**”), our Bank filed income tax return before the income tax authorities. The Assistant Commissioner of Income Tax, Circle 2(2)(1) AO (“**Assessing Officer**”) passed an order dated January 23, 2025 against our Bank under Section 154 of the IT Act disallowing certain claims including provision to pension funds, concessional tax rate in terms of Section 115BAA of the IT Act, grant of double taxation relief, among others (“**Assessment Order**”). Aggrieved by the Assessment Order, our Bank filed an appeal dated March 12, 2025 (“**Appeal**”) before the Joint Commissioner (Appeals) or the Commissioner of Income Tax (Appeals). The amount of disputed demand as per the Appeal is ₹40.66 billion. The matter is currently pending.

7. For the assessment year 2018-2019 (“**Assessment Year**”), our Bank filed income tax return before the income tax authorities. The Assistant Commissioner of Income Tax, Circle 2(2)(1), Mumbai passed an order dated March 30, 2025 against our Bank under Section 143(3) read with Section 250 of the IT Act disallowing certain claims including diminution in the value of restructured advances, loss on sale of assets to asset reconstruction companies and granting complete set off or carry forward of business losses and long-term capital loss of erstwhile associate banks. (“**Assessment Order**”). Aggrieved by the Assessment Order, our Bank filed an appeal dated April 26, 2024 (“**Appeal**”), before the Joint Commissioner (Appeals) or the Commissioner of Income Tax (Appeals). The amount of disputed demand as per the Appeal is ₹54.57 billion. The matter is currently pending.
8. For the assessment year 2018-2019 (“**Assessment Year**”), our Bank filed income tax return before the income tax authorities. The Assistant Commissioner of Income Tax, Circle 2(2)(1), Mumbai passed an order dated March 20, 2020 against our Bank under Section 143(3) of the IT Act (“**Assessment Order**”). Aggrieved by the Assessment Order, our Bank filed an appeal before the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (“**CIT**”) claiming *inter alia*, that the Assessment Order was bad in law and without appreciation of the facts and circumstances of the case in their right perspective. The CIT passed an order dated March 16, 2022 and disallowed certain deductions including, *inter alia*, provision for wage revision, deferred payment guarantee commission, expenditure directly attributable to the earning of exempt income for deduction under Section 14A of the IT Act and interest income from non-performing assets (“**CIT Order**”). Aggrieved by the Assessment Order, our Bank filed an appeal dated May 7, 2022 (“**Appeal**”) before the Income Tax Appellate Tribunal, Mumbai. The total tax effect for this case as per the Appeal is ₹433.88 billion. The matter is currently pending.

## II. Litigation involving our Material Subsidiary

### Material tax litigations

1. For the assessment year 2022-2023 (“**Assessment Year**”), SBI Life Insurance Company Limited filed (“**Assessee**”) income tax return before the income tax authorities. The Assistant Commissioner of Income Tax, Mumbai (“**Assessing Officer**”) passed an order against the Assessee dated March 30, 2024 under Section 143(3) and Section 144B of the IT Act disallowing certain claims including, *inter alia*, exemption of surplus/gains from pension business, considering incorrect total income from the life insurance business of the Assessee while filing return of income and levying interest under Section 234C of the IT Act (“**Assessment Order**”). Aggrieved by the Assessment Order, the Assessee filed an application dated April 4, 2024 before the Assessing Officer under Section 154 of the IT Act, requesting for rectification of mistakes in the Assessment Order, which are apparent from the record. In addition, the Assessee filed an appeal dated April 22, 2024 (“**CIT Appeal**”) before the Joint Commissioner (Appeals) or the Commissioner of Income-Tax (Appeals). Further, the Assessee also filed an application for stay of demand before the Assessing Officer, praying the Assessing Officer to not enforce recovery of demand and keep the entire demand in abeyance until the disposal of the CIT Appeal. The amount of disputed demand is ₹53.17 billion. The matter is currently pending.

## GENERAL INFORMATION

1. The Bank of Calcutta was established in 1806 and was renamed as the Bank of Bengal in 1809. The Bank of Bombay and the Bank of Madras were opened for business in 1840 and 1843 respectively. In 1921, three banks, i.e. the Bank of Bengal, the Bank of Bombay and the Bank of Madras were merged by an act of the legislature to form the Imperial Bank of India. Thereafter, on July 1, 1955, the Imperial Bank of India was nationalised and the Bank was incorporated as a body corporate under the SBI Act.
2. The central office of the Bank is located at Corporate Centre, State Bank Bhavan, Madame Cama Road, Mumbai 400 021, Maharashtra, India.
3. The Equity Shares of the Bank are listed on the BSE and NSE.
4. Our Bank has received in-principle approvals under Regulation 28(1)(a) of the SEBI Listing Regulations from both BSE and NSE each on July 16, 2025. We will apply for final listing and trading approvals of the Equity Shares on the Stock Exchanges.
5. The Issue was authorised and approved by the Central Board by way of its resolution dated Board on May 3, 2025 and by the shareholders of the Bank by way of their resolution dated June 13, 2025.
6. The Bank has also obtained the necessary consents, approvals and authorisations required in connection with the Issue, including the approval from the Ministry of Finance, Department of Financial Services, Government of India dated June 20, 2025 and RBI dated April 1, 2025.
7. Except as disclosed in this Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue.
8. Our audited consolidated financial statements as at and for Fiscals 2025, included in this Placement Document were audited by M/s. Ravi Rajan & Co. LLP, Chartered Accountants. Our audited standalone financial statements as at and for Fiscals 2025, included in this Placement Document were audited by M/s. Ravi Rajan & Co., LLP, Chartered Accountants, M/s. Gokhale & Sathe, Chartered Accountants, M/s. JLN US & Co., Chartered Accountants, M/s R G N Price & Co., Chartered Accountants, M/s. Rama K Gupta & Co., Chartered Accountants, M/s. Vinod Kumar & Associates, Chartered Accountants, M/s. Varma & Varma, Chartered Accountants, M/s. O P Bagla & Co. LLP, Chartered Accountants, M/s. Gopal Sharma & Co., Chartered Accountants, M/s. B C Jain & Co., Chartered Accountants and M/s. S G C O & Co. LLP Chartered Accountants.
9. The Bank confirms that it is in compliance with the minimum public shareholding requirements as specified under the SCRR and required under the provisions of the Regulation 38 of the SEBI Listing Regulations.
10. The Floor Price for the Issue is ₹ 811.05 per Equity Share on July 16, 2025, as the Relevant Date. The Floor Price has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations.
11. Our Bank and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

## FINANCIAL STATEMENTS

| <b>Financial Statement</b>                                                                                                                                                                              | <b>Page Number</b> |
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| Audited Standalone Financial Statements of State Bank of India for the year ended March 31, 2025 and Audited Consolidated Financial Statements of State Bank of India for the year ended March 31, 2025 | 264 – 452          |
| Audited Standalone Financial Statements of State Bank of India for the year ended March 31, 2024 and Audited Consolidated Financial Statements of State Bank of India for the year ended March 31, 2024 | 453 – 636          |
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# State Bank of India

Balance Sheet as at 31<sup>st</sup> March 2025

## STANDALONE FINANCIALS

(000s omitted)

|                                                        | Schedule No. | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
|--------------------------------------------------------|--------------|-----------------------------------------|------------------------------------------|
| <b>CAPITAL AND LIABILITIES</b>                         |              |                                         |                                          |
| Capital                                                | 1            | 892,46,20                               | 892,46,12                                |
| Reserves and Surplus                                   | 2            | 440269,65,81                            | 376354,07,25                             |
| Deposits                                               | 3            | 5382189,52,83                           | 4916076,76,93                            |
| Borrowings                                             | 4            | 563572,52,36                            | 597560,90,78                             |
| Other Liabilities and Provisions                       | 5            | 289129,09,67                            | 288809,73,42                             |
| <b>TOTAL</b>                                           |              | <b>6676053,26,87</b>                    | <b>6179693,94,50</b>                     |
| <b>ASSETS</b>                                          |              |                                         |                                          |
| Cash and Balances with Reserve Bank of India           | 6            | 227217,49,40                            | 225141,69,61                             |
| Balances with banks and money at call and short notice | 7            | 113012,19,31                            | 85660,29,19                              |
| Investments                                            | 8            | 1690572,74,65                           | 1671339,65,61                            |
| Advances                                               | 9            | 4163312,10,16                           | 3703970,85,40                            |
| Fixed Assets                                           | 10           | 44107,55,26                             | 42617,25,25                              |
| Other Assets                                           | 11           | 437831,18,09                            | 450964,19,44                             |
| <b>TOTAL</b>                                           |              | <b>6676053,26,87</b>                    | <b>6179693,94,50</b>                     |
| Contingent Liabilities                                 | 12           | 2668237,39,65                           | 2389320,82,36                            |
| Bills for Collection                                   | -            | 64446,99,52                             | 67795,94,05                              |
| Significant Accounting Policies                        | 17           |                                         |                                          |
| Notes to Accounts                                      | 18           |                                         |                                          |

Schedules referred to above form an integral part of the Balance Sheet

**Shri Rama Mohan Rao Amara**  
Managing Director  
(International Banking, Global  
Markets & Technology)

**Shri Rana Ashutosh Kumar Singh**  
Managing Director  
(Risk, Compliance & SARG)

**Shri Vinay M. Tonse**  
Managing Director  
(Retail Business & Operations)

**Shri Ashwini Kumar Tewari**  
Managing Director  
(Corporate Banking & Subsidiaries)

### Directors:

Shri Ketan S. Vikamsey  
Shri Mrugank M. Paranjape  
Shri Rajesh Kumar Dubey  
Shri Dharmendra Singh Shekhawat  
Smt. Swati Gupta  
Shri Ajay Kumar

**Shri Challa Sreenivasulu Setty**  
Chairman

**Place: Mumbai**  
**Date: 3<sup>rd</sup> May 2025**

In terms of our Report of even date

**For Ravi Rajan & Co. LLP**  
Chartered Accountants  
Firm Regn. No.009073N/N500320

**For Gokhale & Sathe**  
Chartered Accountants  
Firm Regn. No.103264W

**For J L N U S & Co.**  
Chartered Accountants  
Firm Regn. No.101543W

**CA Sumit Kumar**  
Partner: M. No.512555

**CA Rahul Joglekar**  
Partner: M. No. 129389

**CA Shalabh Kumar Daga**  
Partner: M. No.401428

**For Vinod Kumar & Associates**  
Chartered Accountants  
Firm Regn. No.002304N

**For R G N Price & Co.**  
Chartered Accountants  
Firm Regn. No.002785S

**For Rama K Gupta & Co.**  
Chartered Accountants  
Firm Regn. No.005005C

**CA Vinod Jain**  
Partner: M. No. 081263

**CA P.M. Veeramani**  
Partner: M. No. 023933

**CA Ramakant Gupta**  
Partner: M. No.073853

**For Varma & Varma**  
Chartered Accountants  
Firm Regn. No.004532S

**For Gopal Sharma & Co.**  
Chartered Accountants  
Firm Regn. No.002803C

**For B C Jain & Co.**  
Chartered Accountants  
Firm Regn. No.001099C

**CA P R Prasanna Varma**  
Partner: M. No.025854

**CA Abhishek Sharma**  
Partner: M. No.079224

**CA Ranjeet Singh**  
Partner: M. No.073488

**For O P Bagla & Co. LLP**  
Chartered Accountants  
Firm Regn. No.000018N/N500091

**For S G C O & Co. LLP**  
Chartered Accountants  
Firm Regn.No.112081W/W100184

**CA Rakesh Kumar**  
Partner: M. No.087537

**CA Suresh Murarka**  
Partner: M. No.044739

**Place: Mumbai**  
**Date: 3<sup>rd</sup> May 2025**

## Schedules

forming part of the Balance Sheet as at 31<sup>st</sup> March 2025

### SCHEDULE 1 - CAPITAL

|                                                                                                                                                                                                      | (000s omitted)                          |                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                                                                                                                                                                      | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
| <b>Authorised Capital :</b>                                                                                                                                                                          |                                         |                                          |
| 5000,00,00,000 shares of ₹ 1 each<br>(Previous Year 5000,00,00,000 shares of ₹ 1 each)                                                                                                               | 5000,00,00                              | 5000,00,00                               |
| <b>Issued Capital :</b>                                                                                                                                                                              |                                         |                                          |
| 892,54,05,164 Equity shares of ₹ 1 each<br>(Previous Year 892,54,05,164 Equity shares of ₹ 1 each)                                                                                                   | 892,54,05                               | 892,54,05                                |
| <b>Subscribed and Paid up Capital :</b>                                                                                                                                                              |                                         |                                          |
| 892,46,20,034 Equity shares of ₹ 1 each<br>(Previous Year 892,46,11,934 Equity shares of ₹ 1 each)                                                                                                   | 892,46,20                               | 892,46,12                                |
| [The above includes 7,97,87,470 Equity shares of ₹ 1 each<br>(Previous Year 9,58,88,670 Equity shares of ₹ 1 each)<br>represented by 79,78,747 (Previous Year 95,88,867) Global Depository Receipts] |                                         |                                          |
| <b>TOTAL</b>                                                                                                                                                                                         | <b>892,46,20</b>                        | <b>892,46,12</b>                         |

### SCHEDULE 2 - RESERVES AND SURPLUS

|                                           | (000s omitted)                          |                                          |
|-------------------------------------------|-----------------------------------------|------------------------------------------|
|                                           | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
| <b>I. Statutory Reserves</b>              |                                         |                                          |
| Opening Balance                           | 118960,74,29                            | 100637,75,69                             |
| Additions during the year                 | 21270,18,84                             | 18322,98,60                              |
| Deductions during the year                | -                                       | -                                        |
|                                           | <b>140230,93,13</b>                     | <b>118960,74,29</b>                      |
| <b>II. Capital Reserves</b>               |                                         |                                          |
| Opening Balance                           | 16319,00,11                             | 15992,79,07                              |
| Additions during the year                 | 2171,56,83                              | 326,21,04                                |
| Deductions during the year                | -                                       | -                                        |
|                                           | <b>18490,56,94</b>                      | <b>16319,00,11</b>                       |
| <b>III. Share Premium</b>                 |                                         |                                          |
| Opening Balance                           | 79115,47,68                             | 79115,47,68                              |
| Additions during the year                 | 1,280                                   | -                                        |
| Deductions during the year                | -                                       | -                                        |
|                                           | <b>79115,60,48</b>                      | <b>79115,47,68</b>                       |
| <b>IV. Investment Fluctuation Reserve</b> |                                         |                                          |
| Opening Balance                           | 11522,30,12                             | 12271,38,17                              |
| Additions during the year                 | -                                       | -                                        |
| Deductions during the year                | -                                       | 749,08,05                                |
|                                           | <b>11522,30,12</b>                      | <b>11522,30,12</b>                       |

(000s omitted)

|                                                | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
|------------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>V. Foreign Currency Translation Reserve</b> |                                         |                                          |
| Opening Balance                                | 13543,94,38                             | 12755,17,91                              |
| Additions during the year                      | 1906,70,30                              | 788,76,47                                |
| Deductions during the year                     | -                                       | -                                        |
|                                                | <b>15450,64,68</b>                      | <b>13543,94,38</b>                       |
| <b>VI. Revenue and Other Reserves *</b>        |                                         |                                          |
| Opening Balance                                | 59209,04,91                             | 54088,42,53                              |
| Additions during the year                      | 1737,30,02                              | 5120,62,38                               |
| Deductions during the year                     | 1339,01,04                              | -                                        |
|                                                | <b>59607,33,89</b>                      | <b>59209,04,91</b>                       |
| <b>VII. Revaluation Reserve</b>                |                                         |                                          |
| Opening Balance                                | 27555,64,70                             | 27756,25,90                              |
| Additions during the year                      | -                                       | -                                        |
| Deductions during the year                     | 200,03,03                               | 200,61,20                                |
|                                                | <b>27355,61,67</b>                      | <b>27555,64,70</b>                       |
| <b>VIII. AFS Reserve</b>                       |                                         |                                          |
| Opening Balance                                | -                                       | -                                        |
| Additions during the year                      | 6637,28,29                              | -                                        |
| Deductions during the year                     | -                                       | -                                        |
|                                                | <b>6637,28,29</b>                       | <b>-</b>                                 |
| <b>IX. Balance in Profit and Loss Account</b>  | <b>81859,36,61</b>                      | <b>50127,91,06</b>                       |
| <b>TOTAL</b>                                   | <b>440269,65,81</b>                     | <b>376354,07,25</b>                      |

\* Note: Revenue and Other Reserves include:

- (i) ₹ 5,00,00 thousand (Previous Year ₹ 5,00,00 thousand) of Integration and Development Fund (maintained under Section 36 of the State Bank of India Act, 1955)
- (ii) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 ₹ 21064,32,76 thousand (Previous Year ₹ 19527,05,76 thousand)
- (iii) Investment Reserve Current Year Nil (Previous Year ₹ 3142,84,35 thousand)

## Schedules

forming part of the Balance Sheet as at 31<sup>st</sup> March 2025

### SCHEDULE 3 - DEPOSITS

| (000s omitted)                             |                                         |                                          |
|--------------------------------------------|-----------------------------------------|------------------------------------------|
|                                            | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
| <b>A. I. Demand Deposits</b>               |                                         |                                          |
| (i) From Banks                             | 4511,89,19                              | 5960,27,24                               |
| (ii) From Others                           | 371436,17,31                            | 293617,61,43                             |
| <b>II. Savings Bank Deposits</b>           | 1707929,51,93                           | 1661843,63,48                            |
| <b>III. Term Deposits</b>                  |                                         |                                          |
| (i) From Banks                             | 14579,14,17                             | 5197,59,09                               |
| (ii) From Others                           | 3283732,80,23                           | 2949457,65,69                            |
| <b>TOTAL</b>                               | <b>5382189,52,83</b>                    | <b>4916076,76,93</b>                     |
| <b>B. I. Deposits of Branches in India</b> | 5166863,46,11                           | 4724335,65,10                            |
| II. Deposits of Branches outside India     | 215326,06,72                            | 191741,11,83                             |
| <b>TOTAL</b>                               | <b>5382189,52,83</b>                    | <b>4916076,76,93</b>                     |

Deposits include lien marked deposits of ₹ 447427,89,09 thousand (Previous Year ₹ 420734,09,91 thousand)

### SCHEDULE 4 - BORROWINGS

| (000s omitted)                                           |                                         |                                          |
|----------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                          | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
| <b>I. Borrowings in India</b>                            |                                         |                                          |
| (i) Reserve Bank of India                                | 19298,00,00                             | 97399,00,00                              |
| (ii) Other Banks                                         | -                                       | -                                        |
| (iii) Other Institutions and Agencies                    | -                                       | 57817,41,02                              |
| (iv) Bonds & Debentures (Other than Capital Instruments) | 69718,00,00                             | 39718,00,00                              |
| (v) Capital Instruments:                                 |                                         |                                          |
| a. Innovative Perpetual Debt Instruments (IPDI)          | 48708,00,00                             | 50626,40,00                              |
| b. Subordinated Debt                                     | 51131,00,00                             | 43174,00,00                              |
|                                                          | <b>99839,00,00</b>                      | <b>93800,40,00</b>                       |
| <b>TOTAL</b>                                             | <b>188855,00,00</b>                     | <b>288734,81,02</b>                      |
| <b>II. Borrowings outside India</b>                      |                                         |                                          |
| (i) Borrowings and Refinance outside India               | 374717,52,36                            | 308826,09,76                             |
| (ii) Capital Instruments:                                |                                         |                                          |
| Innovative Perpetual Debt Instruments (IPDI)             | -                                       | -                                        |
| <b>TOTAL</b>                                             | <b>374717,52,36</b>                     | <b>308826,09,76</b>                      |
| <b>GRAND TOTAL</b>                                       | <b>563572,52,36</b>                     | <b>597560,90,78</b>                      |
| Secured Borrowings included in I & II above              | 49719,11,54                             | 181331,85,62                             |

## SCHEDULE 5 - OTHER LIABILITIES & PROVISIONS

(000s omitted)

|                                    | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
|------------------------------------|-----------------------------------------|------------------------------------------|
| I. Bills payable                   | 27701,08,11                             | 15663,55,27                              |
| II. Inter-office adjustments (Net) | -                                       | 1126,59,56                               |
| III. Interest accrued              | 38468,06,29                             | 32315,57,67                              |
| IV. Deferred Tax Liabilities (Net) | 54,93,15                                | 7,60,03                                  |
| V. Derivative Liabilities          | 19830,78,90                             | 7106,03,31                               |
| VI. Others (including provisions)* | 203074,23,22                            | 232590,37,58                             |
| <b>TOTAL</b>                       | <b>289129,09,67</b>                     | <b>288809,73,42</b>                      |

\* Includes prudential provision for Standard Assets ₹ 24423,64,33 thousand (Previous Year ₹ 24112,56,90 thousand)

## SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(000s omitted)

|                                                             | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
|-------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| I. Cash in hand (including foreign currency notes and gold) | 18391,32,86                             | 18401,50,96                              |
| II. Balance with Reserve Bank of India                      |                                         |                                          |
| (i) In Current Account                                      | 208826,16,54                            | 206740,18,65                             |
| (ii) In Other Accounts                                      | -                                       | -                                        |
| <b>TOTAL</b>                                                | <b>227217,49,40</b>                     | <b>225141,69,61</b>                      |

## SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(000s omitted)

|                                      | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
|--------------------------------------|-----------------------------------------|------------------------------------------|
| <b>I. In India</b>                   |                                         |                                          |
| (i) Balances with banks              |                                         |                                          |
| (a) In Current Account               | -                                       | -                                        |
| (b) In Other Deposit Accounts        | -                                       | -                                        |
| (ii) Money at call and short notice  |                                         |                                          |
| (a) With banks                       | -                                       | 2550,00,00                               |
| (b) With Other Institutions          | 7980,86,94                              | 27266,70,25                              |
| <b>TOTAL</b>                         | <b>7980,86,94</b>                       | <b>29816,70,25</b>                       |
| <b>II. Outside India</b>             |                                         |                                          |
| (i) In Current Account               | 92776,77,86                             | 44600,92,07                              |
| (ii) In Other Deposit Accounts       | 500,74,86                               | 2196,18,92                               |
| (iii) Money at call and short notice | 11753,79,65                             | 9046,47,95                               |
| <b>TOTAL</b>                         | <b>105031,32,37</b>                     | <b>55843,58,94</b>                       |
| <b>GRAND TOTAL (I and II)</b>        | <b>113012,19,31</b>                     | <b>85660,29,19</b>                       |

## Schedules

forming part of the Balance Sheet as at 31<sup>st</sup> March 2025

### SCHEDULE 8 - INVESTMENTS

|                                                               | (000s omitted)                          |                                          |
|---------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                               | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
| <b>I. Investments in India in:</b>                            |                                         |                                          |
| (i) Government Securities                                     | 1326676,69,34                           | 1365740,19,30                            |
| (ii) Other Approved securities                                | -                                       | -                                        |
| (iii) Shares                                                  | 23302,39,97                             | 7199,25,77                               |
| (iv) Debentures and Bonds                                     | 180074,65,18                            | 177647,08,12                             |
| (v) Subsidiaries and/or Joint Ventures (including Associates) | 16363,62,57                             | 15559,74,88                              |
| (vi) Others (Units of Mutual Funds etc.)                      | 69972,44,36                             | 38937,32,34                              |
| <b>TOTAL</b>                                                  | <b>1616389,81,42</b>                    | <b>1605083,60,41</b>                     |
| <b>II. Investments outside India in:</b>                      |                                         |                                          |
| (i) Government Securities (including local authorities)       | 34338,94,76                             | 31679,82,31                              |
| (ii) Subsidiaries and/or Joint Ventures abroad                | 5680,21,97                              | 5680,21,97                               |
| (iii) Other Investments (Shares, Debentures etc.)             | 34163,76,50                             | 28896,00,92                              |
| <b>TOTAL</b>                                                  | <b>74182,93,23</b>                      | <b>66256,05,20</b>                       |
| <b>GRAND TOTAL (I and II)</b>                                 | <b>1690572,74,65</b>                    | <b>1671339,65,61</b>                     |
| <b>III. Investments in India:</b>                             |                                         |                                          |
| (i) Gross Value of Investments                                | 1619772,86,64                           | 1614852,06,26                            |
| (ii) Less: Aggregate of Provisions / Depreciation             | 3383,05,22                              | 9768,45,85                               |
| (iii) Net Investments (vide I above)                          | <b>1616389,81,42</b>                    | <b>1605083,60,41</b>                     |
| <b>IV. Investments outside India:</b>                         |                                         |                                          |
| (i) Gross Value of Investments                                | 74182,93,23                             | 67362,37,80                              |
| (ii) Less: Aggregate of Provisions / Depreciation             | -                                       | 1106,32,60                               |
| (iii) Net Investments (vide II above)                         | <b>74182,93,23</b>                      | <b>66256,05,20</b>                       |
| <b>GRAND TOTAL (III and IV)</b>                               | <b>1690572,74,65</b>                    | <b>1671339,65,61</b>                     |

### SCHEDULE 9 - ADVANCES

|                                                                                | (000s omitted)                          |                                          |
|--------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                                                | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
| <b>A. I. Bills purchased and discounted</b>                                    | 243284,21,86                            | 217376,95,24                             |
| <b>II. Cash credits, overdrafts and loans repayable on demand</b>              | 1178837,27,92                           | 1001454,43,22                            |
| <b>III. Term loans</b>                                                         | 2741190,60,38                           | 2485139,46,94                            |
| <b>TOTAL</b>                                                                   | <b>4163312,10,16</b>                    | <b>3703970,85,40</b>                     |
| <b>B. I. Secured by tangible assets (includes advances against Book Debts)</b> | 2736334,51,70                           | 2391775,49,19                            |
| <b>II. Covered by Bank / Government Guarantees</b>                             | 220931,11,57                            | 193146,54,72                             |
| <b>III. Unsecured</b>                                                          | 1206046,46,89                           | 1119048,81,49                            |
| <b>GRAND TOTAL (A + B)</b>                                                     | <b>4163312,10,16</b>                    | <b>3703970,85,40</b>                     |

| (000s omitted)                      |                                         |                                          |
|-------------------------------------|-----------------------------------------|------------------------------------------|
|                                     | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
| <b>C. (I) Advances in India</b>     |                                         |                                          |
| (i) Priority Sector                 | 907348,31,61                            | 804184,20,86                             |
| (ii) Public Sector                  | 218328,15,43                            | 252558,00,04                             |
| (iii) Banks                         | 4027,86,19                              | 276,89,81                                |
| (iv) Others                         | 2415672,51,05                           | 2108978,83,43                            |
| <b>TOTAL</b>                        | <b>3545376,84,28</b>                    | <b>3165997,94,14</b>                     |
| <b>(II) Advances outside India</b>  |                                         |                                          |
| (i) Due from banks                  | 202732,91,35                            | 178879,83,35                             |
| (ii) Due from others                |                                         |                                          |
| (a) Bills purchased and discounted  | 39011,07,61                             | 42424,38,12                              |
| (b) Syndicated loans                | 247231,64,38                            | 215890,02,77                             |
| (c) Others                          | 128959,62,54                            | 100778,67,02                             |
| <b>TOTAL</b>                        | <b>617935,25,88</b>                     | <b>537972,91,26</b>                      |
| <b>GRAND TOTAL [C-I &amp; C-II]</b> | <b>4163312,10,16</b>                    | <b>3703970,85,40</b>                     |

## SCHEDULE 10 - FIXED ASSETS

| (000s omitted)                                                      |                                         |                                          |
|---------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                                     | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
| <b>I. Premises (including Revalued Premises)</b>                    |                                         |                                          |
| At cost/revalued as at 31 <sup>st</sup> March of the preceding year | 35116,37,08                             | 35053,43,85                              |
| Additions:                                                          |                                         |                                          |
| - during the year                                                   | 352,80,38                               | 63,52,52                                 |
| - for Revaluation                                                   | -                                       | -                                        |
| Deductions:                                                         |                                         |                                          |
| - during the year                                                   | 12,87                                   | 1,11                                     |
| - for Revaluation                                                   | -                                       | 58,18                                    |
| Depreciation to date:                                               |                                         |                                          |
| - on cost                                                           | 1441,10,64                              | 1317,45,31                               |
| - on Revaluation                                                    | 1628,92,58                              | 1428,89,56                               |
|                                                                     | <b>32399,01,37</b>                      | <b>32370,02,21</b>                       |
| <b>II. Other Fixed Assets (including furniture and fixtures)</b>    |                                         |                                          |
| At cost as at 31 <sup>st</sup> March of the preceding year          | 43574,60,06                             | 40859,75,07                              |
| Additions during the year                                           | 4786,55,83                              | 3375,97,87                               |
| Deductions during the year                                          | 968,36,10                               | 661,12,88                                |
| Depreciation to date                                                | 36107,10,65                             | 33818,25,36                              |
|                                                                     | <b>11285,69,14</b>                      | <b>9756,34,70</b>                        |
| <b>III. Assets under Construction (including Premises)</b>          | <b>422,84,75</b>                        | <b>490,88,34</b>                         |
| <b>TOTAL (I, II, and III)</b>                                       | <b>44107,55,26</b>                      | <b>42617,25,25</b>                       |



## Schedules

forming part of the Balance Sheet as at 31<sup>st</sup> March 2025

### SCHEDULE 11 - OTHER ASSETS

|                                                           | (000s omitted)                          |                                          |
|-----------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                           | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
| I. Inter-office adjustments (Net)                         | 8184,06,97                              | -                                        |
| II. Interest accrued                                      | 47310,86,68                             | 45724,50,59                              |
| III. Tax paid in advance / tax deducted at source         | 31382,10,90                             | 23640,47,23                              |
| IV. Deferred Tax Assets (Net)                             | 9284,36,35                              | 11431,46,52                              |
| V. Stationery and stamps                                  | 29,36,46                                | 28,92,68                                 |
| VI. Non-banking assets acquired in satisfaction of claims | 56,10                                   | 56,10                                    |
| VII. Derivative Asset                                     | 17802,39,41                             | 3765,02,99                               |
| VIII. Others *                                            | 323837,45,22                            | 366373,23,34                             |
| <b>TOTAL</b>                                              | <b>437831,18,09</b>                     | <b>450964,19,44</b>                      |

\*Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹ 262916,23,60 thousand (Previous Year ₹ 270995,47,35 thousand)

### SCHEDULE 12 - CONTINGENT LIABILITIES

|                                                                     | (000s omitted)                          |                                          |
|---------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                                     | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
| I. Claims against the group not acknowledged as debts               | 117645,01,48                            | 117868,87,40                             |
| II. Liability for partly paid investments / Venture Funds           | 2089,38,84                              | 2174,05,04                               |
| III. Liability on account of outstanding forward exchange contracts | 1454089,93,81                           | 1349504,18,92                            |
| IV. Guarantees given on behalf of constituents                      |                                         |                                          |
| (a) In India                                                        | 219093,69,28                            | 190056,09,60                             |
| (b) Outside India                                                   | 101282,29,14                            | 94237,18,86                              |
| V. Acceptances, endorsements and other obligations                  | 157848,82,48                            | 158349,94,55                             |
| VI. Other items for which the Bank is contingently liable           | 616188,24,62                            | 477130,47,99                             |
| <b>TOTAL</b>                                                        | <b>2668237,39,65</b>                    | <b>2389320,82,36</b>                     |

# State Bank of India

Profit and Loss Account for the year ended 31<sup>st</sup> March, 2025

(000s omitted)

|                                                                | Schedule No. | Year ended<br>31.03.2025<br>(Current Year)<br>₹ | Year ended<br>31.03.2024<br>(Previous Year)<br>₹ |
|----------------------------------------------------------------|--------------|-------------------------------------------------|--------------------------------------------------|
| <b>I. INCOME</b>                                               |              |                                                 |                                                  |
| Interest earned                                                | 13           | 462489,35,35                                    | 415130,65,55                                     |
| Other Income                                                   | 14           | 61683,05,92                                     | 51682,16,37                                      |
| <b>TOTAL</b>                                                   |              | <b>524172,41,27</b>                             | <b>466812,81,92</b>                              |
| <b>II. EXPENDITURE</b>                                         |              |                                                 |                                                  |
| Interest expended                                              | 15           | 295524,22,52                                    | 255254,82,88                                     |
| Operating expenses                                             | 16           | 118069,02,22                                    | 124860,81,35                                     |
| Provisions and contingencies                                   |              | 39678,53,72                                     | 25620,55,67                                      |
| <b>TOTAL</b>                                                   |              | <b>453271,78,46</b>                             | <b>405736,19,90</b>                              |
| <b>III. PROFIT</b>                                             |              |                                                 |                                                  |
| Net Profit for the year                                        |              | 70900,62,81                                     | 61076,62,02                                      |
| Add: Profit/ (Loss) brought forward                            |              | 50127,91,06                                     | 24098,71,82                                      |
| <b>TOTAL</b>                                                   |              | <b>121028,53,87</b>                             | <b>85175,33,84</b>                               |
| <b>IV. APPROPRIATIONS</b>                                      |              |                                                 |                                                  |
| Transfer to Statutory Reserve                                  |              | 21270,18,84                                     | 18322,98,60                                      |
| Transfer to Capital Reserve                                    |              | 2171,56,83                                      | 326,21,04                                        |
| Transfer to Investment Fluctuation Reserve                     |              | -                                               | (749,08,05)                                      |
| Transfer to Revenue and other Reserves                         |              | 1537,27,00                                      | 4920,59,36                                       |
| Dividend for the current year                                  |              | 14190,14,59                                     | 12226,71,83                                      |
| Balance carried over to Balance Sheet                          |              | 81859,36,61                                     | 50127,91,06                                      |
| <b>TOTAL</b>                                                   |              | <b>121028,53,87</b>                             | <b>85175,33,84</b>                               |
| <b>V. EARNINGS PER EQUITY SHARE (Face value ₹ 1 per share)</b> |              |                                                 |                                                  |
| Basic (in ₹)                                                   |              | 79.44                                           | 68.44                                            |
| Diluted (in ₹)                                                 |              | 79.44                                           | 68.44                                            |
| Significant Accounting Policies                                | 17           |                                                 |                                                  |
| Notes to Accounts                                              | 18           |                                                 |                                                  |

Schedules referred to above form an integral part of the Profit & Loss Account.

**Shri Rama Mohan Rao Amara**  
Managing Director  
(International Banking, Global  
Markets & Technology)

**Shri Rana Ashutosh Kumar Singh**  
Managing Director  
(Risk, Compliance & SARG)

**Shri Vinay M. Tonse**  
Managing Director  
(Retail Business & Operations)

**Shri Ashwini Kumar Tewari**  
Managing Director  
(Corporate Banking & Subsidiaries)

## Directors:

Shri Ketan S. Vikamsey  
Shri Mrugank M. Paranjape  
Shri Rajesh Kumar Dubey  
Shri Dharmendra Singh Shekhawat  
Smt. Swati Gupta  
Shri Ajay Kumar

**Shri Challa Sreenivasulu Setty**  
Chairman

**Place: Mumbai**  
**Date: 3<sup>rd</sup> May 2025**

In terms of our Report of even date

**For Ravi Rajan & Co. LLP**  
Chartered Accountants  
Firm Regn. No.009073N/N500320

**For Gokhale & Sathe**  
Chartered Accountants  
Firm Regn. No.103264W

**For J L N U S & Co.**  
Chartered Accountants  
Firm Regn. No.101543W

**CA Sumit Kumar**  
Partner: M. No.512555

**CA Rahul Joglekar**  
Partner: M. No. 129389

**CA Shalabh Kumar Daga**  
Partner: M. No.401428

**For Vinod Kumar & Associates**  
Chartered Accountants  
Firm Regn. No.002304N

**For R G N Price & Co.**  
Chartered Accountants  
Firm Regn. No.002785S

**For Rama K Gupta & Co.**  
Chartered Accountants  
Firm Regn. No.005005C

**CA Vinod Jain**  
Partner: M. No. 081263

**CA P.M. Veeramani**  
Partner: M. No. 023933

**CA Ramakant Gupta**  
Partner: M. No.073853

**For Varma & Varma**  
Chartered Accountants  
Firm Regn. No.004532S

**For Gopal Sharma & Co.**  
Chartered Accountants  
Firm Regn. No.002803C

**For B C Jain & Co.**  
Chartered Accountants  
Firm Regn. No.001099C

**CA P R Prasanna Varma**  
Partner: M. No.025854

**CA Abhishek Sharma**  
Partner: M. No.079224

**CA Ranjeet Singh**  
Partner: M. No.073488

**For O P Bagla & Co. LLP**  
Chartered Accountants  
Firm Regn. No.000018N/N500091

**For S G C O & Co. LLP**  
Chartered Accountants  
Firm Regn.No.112081W/W100184

**CA Rakesh Kumar**  
Partner: M. No.087537

**CA Suresh Murarka**  
Partner: M. No.044739

**Place: Mumbai**  
**Date: 3<sup>rd</sup> May 2025**

## Schedules

forming part of the Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### SCHEDULE 13 - INTEREST EARNED

(000s omitted)

|                                                                                 | Year ended<br>31.03.2025<br>(Current Year)<br>₹ | Year ended<br>31.03.2024<br>(Previous Year)<br>₹ |
|---------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Interest / discount on advances/ bills                                       | 330626,97,23                                    | 289783,81,12                                     |
| II. Income on Investments                                                       | 115031,34,11                                    | 108640,50,37                                     |
| III. Interest on balances with Reserve Bank of India and other inter-bank funds | 4416,01,22                                      | 5090,19,24                                       |
| IV. Others                                                                      | 12415,02,79                                     | 11616,14,82                                      |
| <b>TOTAL</b>                                                                    | <b>462489,35,35</b>                             | <b>415130,65,55</b>                              |

### SCHEDULE 14 - OTHER INCOME

(000s omitted)

|                                                                                                                 | Year ended<br>31.03.2025<br>(Current Year)<br>₹ | Year ended<br>31.03.2024<br>(Previous Year)<br>₹ |
|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Commission, exchange and brokerage                                                                           | 30918,64,52                                     | 28126,11,94                                      |
| II. Profit/ (Loss) on sale of investments (Net)                                                                 | 9850,17,35                                      | 6896,60,13                                       |
| III. Profit/ (Loss) on revaluation of investments (Net)                                                         | 5453,15,66                                      | 4939,17,35                                       |
| IV. Profit/ (Loss) on sale of land, buildings and other assets (Net)                                            | (20,37,07)                                      | (33,20,20)                                       |
| V. Profit/ (Loss) on exchange/ derivative transactions (Net)                                                    | 4379,23,28                                      | 1715,15,09                                       |
| VI. Income earned by way of dividends etc., from subsidiaries/ companies and/or joint ventures abroad/ in India | 1863,32,44                                      | 1961,61,63                                       |
| VII Miscellaneous Income *                                                                                      | 9238,89,74                                      | 8076,70,43                                       |
| <b>TOTAL</b>                                                                                                    | <b>61683,05,92</b>                              | <b>51682,16,37</b>                               |

\* Miscellaneous Income includes Recoveries made in written-off accounts ₹ 8002,29,22 thousand (Previous year ₹ 6933,56,32 thousand).

### SCHEDULE 15 - INTEREST EXPENDED

(000s omitted)

|                                                              | Year ended<br>31.03.2025<br>(Current Year)<br>₹ | Year ended<br>31.03.2024<br>(Previous Year)<br>₹ |
|--------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Interest on Deposits                                      | 257227,72,00                                    | 221459,94,10                                     |
| II. Interest on Reserve Bank of India/ Inter-bank borrowings | 25546,94,72                                     | 22443,53,50                                      |
| III. Others                                                  | 12749,55,80                                     | 11351,35,28                                      |
| <b>TOTAL</b>                                                 | <b>295524,22,52</b>                             | <b>255254,82,88</b>                              |

## Schedules

forming part of the Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### SCHEDULE 16 - OPERATING EXPENSES

(000s omitted)

|                                                              | Year ended<br>31.03.2025<br>(Current Year)<br>₹ | Year ended<br>31.03.2024<br>(Previous Year)<br>₹ |
|--------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Payments to and provisions for employees *                | 64352,24,48                                     | 78336,98,41                                      |
| II. Rent, taxes and lighting                                 | 6283,36,09                                      | 6081,83,48                                       |
| III. Printing and stationery                                 | 883,96,70                                       | 824,47,35                                        |
| IV. Advertisement and publicity                              | 509,20,24                                       | 532,32,39                                        |
| V. Depreciation on Bank's property                           | 3528,90,73                                      | 3351,91,61                                       |
| VI. Directors' fees, allowances and expenses                 | 1,58,84                                         | 1,81,65                                          |
| VII. Auditors' fees and expenses (including branch auditors) | 317,38,56                                       | 298,28,96                                        |
| VIII. Law charges                                            | 402,04,44                                       | 346,23,70                                        |
| IX. Postages, Telegrams, Telephones etc.                     | 800,48,84                                       | 662,12,53                                        |
| X. Repairs and maintenance                                   | 1268,01,99                                      | 1198,06,57                                       |
| XI. Insurance                                                | 8962,90,24                                      | 6224,12,20                                       |
| XII. Other expenditure                                       | 30758,91,07                                     | 27002,62,50                                      |
| <b>TOTAL</b>                                                 | <b>118069,02,22</b>                             | <b>124860,81,35</b>                              |

\* Payments to and provisions for employees includes exceptional items Nil for Current year [Previous year provision of ₹7100,00,00 thousand (₹5400,00,00 thousand for estimated liability on account of pension at uniform rate of 50% for all pensioners prospectively, in place of existing dual rate of calculation of pension and ₹1700,00,00 thousand on account of ex-gratia benefit and neutralisation of Dearness Relief to pre-November 2002 retirees and family pensioners)]

## SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES

### A. BACKGROUND:

State Bank of India (SBI or the Bank) is a banking and financial services statutory body engaged in providing a wide range of products and services to individuals, commercial enterprises, large corporates, public bodies, and institutional customers. The Bank is governed by the Banking Regulation Act, 1949, and the State Bank of India Act, 1955.

Following are the Significant Accounting Policies i.e., the specific accounting principles and methods of applying these principles in the preparation and presentation of financial statements of the Bank.

### B. BASIS OF PREPARATION:

The Bank's financial statements have been prepared under the historical cost convention, with fundamental accounting assumptions of going concern, consistency, and accrual, unless otherwise stated. They conform to the Generally Accepted Accounting Principles in India (Indian GAAP), comprising of regulatory norms, directions & guidelines prescribed by the Reserve Bank of India (RBI), statutory guidelines of the State Bank of India Act 1955, and the Banking Regulations Act, 1949, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI), and the accounting practices prevalent in the banking industry in India.

In the case of foreign offices, the statutory provisions and practices of the respective country are followed, provided they are more prudent than the related norms in India.

These financial statements have been prepared in accordance with requirements under the Third Schedule of the Banking Regulation Act, 1949.

### C. USE OF ESTIMATES:

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to the accounting estimates is recognised prospectively from the period of change unless otherwise stated.

### D. SIGNIFICANT ACCOUNTING POLICIES:

#### 1. Revenue recognition:

- 1.1 Income and expenditure are recognised in the Profit and Loss Account on accrual basis, unless otherwise stated.
- 1.2 Income from Non-Performing Assets (NPAs) including Non-Performing investments is recognised in the Profit and Loss Account on realisation basis.
- 1.3 All commission and fee income are recognised on realisation basis, except commission income from Letters of Credit (LC), Bank Guarantees (BG), Deferred Payment Guarantees, Government Business, incentive on UPI transactions, ATM interchange fees, and upfront fees on restructured accounts, which are recognised on an accrual basis (proportionately over the relevant period).
- 1.4 Income from units of mutual funds, alternative investment funds and other such pooled / collective investment funds is recognised in the Profit and Loss Account on realisation basis.
- 1.5 The discount or premium if any on acquisition of all debt securities, across all categories of investments i.e. HTM, AFS, HFT-FVTPL meeting Solely Payments of Principal and Interest" (SPPI) Criterion is amortised over the remaining life of the instrument using Constant Yield method.  
  
However, in case of overseas investments and investments in floating rate bond, the discount or premium if any on acquisition is amortised over the remaining life of the instrument using Straight Line method. The amortised amount is reflected under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.
- 1.6 Dividend income is recognised when the right to receive the dividend is established.
- 1.7 The Bank derecognises its financial assets upon sale to Securitisation Company (SC)/ Reconstruction Company (RC), and accounts for the transaction as under:
  - i. If the sale is at a price below the Net Book Value (NBV) (i.e., book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of transfer / sale.

## Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

- ii. If the sale is for a price higher than the NBV, the excess provision is written back in the year the amounts are received. In case, SRs guaranteed by the Government of India are received as a part of sale consideration the excess provision to the extent of Face Value of Security Receipts guaranteed by Government of India is written back in the year of transfer/sale.

- 1.8 Income on Rupee Derivatives designated as "Trading" income is recognised in the Profit and Loss Account on realisation basis

### 2. Investments:

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation, as given below:

#### 2.1 Classification:

The Bank classifies the entire investment portfolio (except investments in their own Subsidiaries, Joint Ventures and Associates) under three categories viz., Held to Maturity (HTM), Available for Sale (AFS) and Fair Value through Profit and Loss (FVTPL) with a subcategory named Held for Trading (HFT).

For disclosure in Balance Sheet, the investments are classified as Investments in India and outside India. The investments in India are further classified as (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and/or Joint Ventures (including Associates) and (vi) Other Investments.

The investments outside India are further classified as (i) Government Securities (ii) Subsidiaries and/or Joint Ventures (including Associates) (iii) Other Investments.

#### 2.2 Basis of classification:

- i. **Held to Maturity (HTM):** The securities acquired with the intention of holding it to maturity to collect the contractual cash flows and the contractual terms of the security give rise to cash flows that are Solely Payments of Principal and Interest (SPPI criterion) on specified date are categorised as Held to Maturity (HTM).
- ii. **Available for Sale (AFS):** The securities acquired with the objective that is achieved by both collecting contractual cash flows and selling securities before maturity; and the

contractual terms of the security give rise to cash flows that are Solely Payments of Principal and Interest (SPPI criterion) is categorised as Available for Sale (AFS).

On initial recognition, the Bank make an irrevocable selection to classify an equity instrument, that is not held with the objective of trading, under AFS, in line with the RBI Guidelines.

- iii. **Fair Value through Profit and Loss (FVTPL):** Securities that do not qualify for inclusion in HTM or AFS are classified under Fair Value through Profit and Loss (FVTPL) with a subcategory named Held for Trading (HFT). Any instrument that is held for one or more of the following purposes is designated as a Held for Trading (HFT) instrument:
  - a. short-term resale;
  - b. profiting from short-term price movements;
  - c. locking in arbitrage profits; or
  - d. hedging risks that arise from instruments meeting (a), (b) or (c) above.

#### 2.3 Initial Recognition of investments:

The transactions in all securities are measured at fair value on initial recognition with a presumption that acquisition cost is the fair value. This presumption is tested for transactions with related parties, transaction taking place in duress, transaction outside principal market and any other situation where facts and circumstances warrant testing of the presumption.

Fair value measurements are categorised into following 3 fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable,

- (a) "Level 1" - wherein inputs used for valuation of a financial instrument are quoted prices (unadjusted) in active markets for identical instruments that the bank can access at the measurement date;
- (b) "Level 2" - wherein inputs used for valuation of a financial instrument are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (such as yield curve, credit spread etc.);

- (c) "Level 3" – wherein valuation is based on unobservable inputs.
- i. **Recognition of Day 1 Gain/Loss:**
  - a. Day 1 gain / loss arising in initial recognition of Level 1 and Level 2 hierarchy, is recognised in the Profit and Loss Account, under item III- 'Profit/Loss on revaluation of investments(net)' under Schedule 14: 'Other Income'.
  - b. Any Day 1 loss arising from Level 3 investments is recognised immediately.
  - c. Any Day 1 gains arising from Level 3 investments is deferred. In the case of debt instruments, the Day 1 gain is amortised on a straight-line basis up to the maturity date (or earliest call date for perpetual instruments), while for unquoted equity instruments, the gain is set aside as a liability until the security is listed or derecognised.
- ii. The transactions in all securities are recorded on a Settlement Date and the securities are held at weighted average cost method for all categories of investments.
- iii. Brokerage, Commission, Securities Transaction Tax (STT) etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
- iv. Broken period interest paid/ received on debt instruments is treated as interest expense/ income and is excluded from cost/ sale consideration.
- iv. Subsequent valuation of investment in subsidiaries, associates and joint ventures:
  - a. All investments (i.e., including debt and equity) in subsidiaries, associates and joint ventures are held at acquisition cost.
  - b. In case an existing investment becomes a Subsidiary, Associate or Joint Venture, the revised carrying value of the same on the date of change in classification is as determined as under:
    - For an investment held under HTM: the carrying value less the permanent impairment.
    - For an investment held under AFS: the Carrying value adjusted for cumulative gains and losses previously recognised in AFS Reserve along with the permanent diminution, if any.
    - For an investment held under FVTPL: the fair value on date of the change in the classification.
  - c. When an investment ceases to be a Subsidiary, Associate or Joint Venture, the reclassification to respective category is made as under:
    - For investment reclassified into HTM, there shall be no change in the carrying value.
    - For investment reclassified into AFS or FVTPL, the fair value on the date of reclassification is considered as carrying value by transferring the difference between the revised and the previous carrying values to AFS-Reserve and Profit and Loss account respectively.
  - d. The Bank evaluates investments in subsidiaries, associates or joint ventures for impairment at quarterly intervals. When the need to determine whether the impairment has occurred arises in respect of a subsidiary, associate or joint venture, the same is made on the basis of the valuation of the investment by an independent registered valuer and diminution if any is recognised as an expense in the Profit and Loss Account. It is subsequently reversed through Profit and Loss Account, if there is a reversal of the diminution.

## 2.4 Subsequent Measurement of investments:

- i. Securities held in HTM are carried at cost and are not marked to market (MTM) after initial recognition.
- ii. The securities held in AFS are fair valued at quarterly intervals. The valuation gains and losses across all performing investments held under AFS are aggregated. The net appreciation or depreciation is directly credited or debited to AFS-Reserve without routing through the Profit & Loss Account.
- iii. Securities that are classified under the HFT sub-category within FVTPL are fair valued on a daily basis, whereas other securities in FVTPL are fair valued at the end of every quarter. The net gain or loss arising on such valuation is credited or debited to the Profit and Loss Account.



## Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

v. **Valuation in the event of inter category transfer of investments:**

The reclassification between the categories (viz. HTM, AFS and FVTPL) if any, is done with approval of the Board and prior approval of the RBI. The reclassification is applied prospectively from reclassification date and is accounted in compliance with RBI guidelines.

vi. **Valuation of Security Receipts (SRs):**

a. The SRs obtained by way of sale of NPA to Securitisation Company (SC)/ Asset Reconstruction Company (ARC), is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the NPA; and (ii) Redemption value of SR.

b. Investments in Security Receipts are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.

c. SRs guaranteed by the Government of India are valued at face value or Net Asset Value (NAV) declared by the ARC (based on the recovery ratings received for such instruments) whichever is lower. Any SRs outstanding after the final settlement of government guarantee or expiry of the guarantee period, whichever is earlier, are valued at ₹1.

vii. Zero-coupon discounted instruments such as Treasury Bills, Commercial Paper, Certificate of Deposits and Zero-Coupon Bonds are held at carrying cost i.e. the acquisition cost adjusted for the discount accrued at the rate prevailing at the time of acquisition.

due and remains unpaid for more than 90 days. It applies mutatis mutandis to preference shares where fixed dividend is not declared/paid in any year; and the date of Balance Sheet of the issuer for that particular year is reckoned as due date for asset classification.

b. In the event the investment in equity shares of any company is valued at ₹ 1 per company on account of non-availability of the latest balance sheet or the same is more than 18 months old, those equity shares would be reckoned as NPI.

c. The Bank also classifies an investment including preference shares as a non-performing investment in case any credit facility availed by the same borrower has been classified as a non-performing asset and vice versa. However, this stipulation is not applicable in cases where only preference shares are classified as NPI. i.e. in such cases, neither the investment in any of the other performing securities issued by the same issuer is classified as NPI nor any performing credit facilities granted to that borrower is treated as NPA.

d. In case of conversion of principal and / or interest into equity, debentures, bonds, etc., such instruments are classified under HTM, AFS or FVTPL (including HFT) with the same asset classification category as that of the loan and provision is made as per the norms.

ii. Investment classified as an NPI is segregated from rest of the investments within the same category and not considered for netting valuation gains and losses. Income on non-performing investments is recognised only on realisation of the same. MTM appreciation if any in these NPI securities is ignored.

iii. Irrespective of the category (i.e., HTM, AFS or FVTPL (including HFT)) in which the investment has been placed, the expense for the provision for impairment are recognised in the Profit and Loss Account. The provision to be held on an NPI is the higher of the amount of provision on the carrying value of the investment immediately before it was classified as NPI as per IRACP norms and the depreciation on the investment with reference to its carrying value on the date of classification as NPI.

Provided that in the case of an investment categorised under AFS against which there are cumulative gains

### 2.5 Non-performing Investments (NPI):

i. In domestic offices, the investments are classified as non-performing or upgraded to standard in terms of the criterion laid down in extant Prudential Norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances.

a. Debt instruments such as bonds or debentures are recognised as NPIs where interest/ instalment (including maturity proceeds) is

in AFS-Reserve, the provision required is created by charging the same to AFS-Reserve to the extent of such available gains. Provided further that in the case of an investment categorised under AFS against which there are cumulative losses in AFS-Reserve, the cumulative losses are transferred from AFS-Reserve to the Profit and Loss Account.

- iv. Upon upgradation of the investment, the provision recognised is reversed and recognition of MTM gains and losses is resumed.
- v. In respect of foreign offices, classification and provisions for non-performing investments (NPIs) are made as per the local regulations or as per the norms of RBI, whichever are more prudent.

## 2.6 Accounting for Repo/ Reverse Repo transactions:

The Bank enters Repurchase and Reverse Repurchase Transactions with RBI under Liquidity Adjustment Facility (LAF) and with market participants. Repurchase Transaction represents borrowing by selling the securities with an agreement to repurchase the securities. Reverse Repo Transactions on the other hand, represent lending funds by purchasing the securities.

- i. Transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Collateralised Lending and Borrowing transactions.
- ii. In Repo and Reverse Repo transaction, securities sold(purchased) and repurchased (resell) are accounted as normal outright sale(purchase) transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and contra entries. The above entries are reversed on the date of maturity.
- iii. Balance in Repo Account is classified under Schedule 4 'Borrowings'.
- iv. All type of Reverse Repos with RBI including those under Liquidity Adjustment Facility are presented under sub item (ii) 'In Other Accounts' of item (II) Balances with RBI under Schedule 6 'Cash and balances with RBI'.
- v. Reverse Repos with banks and other institutions having original tenors up to and inclusive of 14 days are classified as Money at call and short notice under Schedule 7 'Balance with Banks and Money at call & short notice'. Reverse Repos with original maturity more than 14 days but up to 1 year are classified as Cash Credits, overdrafts, and loans repayable

on demand, under Schedule 9 'Advances'. All other Reverse Repos are classified as Term Loans under Schedule 9 'Advances'.

- vi. Borrowing cost of repo transactions and revenue on reverse repo transactions, with RBI or others, is accounted for as interest expense and interest income, respectively.

## 3. Loans/ Advances and Provisions thereon:

3.1 Based on the guidelines / directives issued by the RBI, Loans and Advances in India are classified as performing and non-performing, as follows:

- i. A term loan is classified as a non-performing asset if interest and / or instalment of principal remains overdue for a period of more than 90 days.
- ii. An Overdraft or Cash Credit is classified as a non-performing asset, if, the account remains "out of order", i.e. if the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or the credits are not enough to cover the interest debited during the previous 90 days period.
- iii. The bills purchased / discounted are classified as non-performing Asset if the bill remains overdue for a period of more than 90 days.
- iv. The agricultural advances are classified as a non-performing if,
  - a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and
  - b) for long duration crops, where the principal or interest remains overdue for one crop season.

3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

- i. **Sub-standard:** A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. **Doubtful:** A loan asset that has remained in the sub-standard category for a period of 12 months or Sub-Standard Accounts where erosion in the value of security by more than 50% of the value assessed by the bank or accepted by RBI at the time of last inspection, as the case may be.
- iii. **Loss:** A loan asset where loss has been identified but the amount has not been fully written off or if the

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

realisable value of the security as assessed by the Bank/approved valuers/RBI is less than 10 percent of the outstanding.

- 3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities:

|                            |                     |                                                                                                      |                       |      |
|----------------------------|---------------------|------------------------------------------------------------------------------------------------------|-----------------------|------|
| <b>Substandard Assets:</b> | i.                  | Secured                                                                                              | 15%                   |      |
|                            | ii.                 | unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio). | 25%                   |      |
|                            | iii.                | in respect of infrastructure advances where certain safeguards such as escrow accounts are available | 20%                   |      |
| <b>Doubtful Assets:</b>    | Secured portion     | i.                                                                                                   | Up to one year        | 25%  |
|                            |                     | ii.                                                                                                  | One to three years    | 40%  |
|                            |                     | iii.                                                                                                 | More than three years | 100% |
|                            | Unsecured portion   |                                                                                                      |                       | 100% |
|                            | <b>Loss Assets:</b> |                                                                                                      |                       | 100% |

- 3.4 In respect of foreign offices, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- 3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.
- 3.6 For restructured/ rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans/ advances before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.
- 3.7 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulatory authorities.
- 3.8 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.
- 3.9 In addition to the provision on NPAs, provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.
- 3.10 The Bank also makes additional provisions on specific non-performing assets.
- 3.11 Recoveries from Non-Performing Assets (NPAs) are appropriated in the following order of priority:

- Charges, Costs, Commission etc.
- Unrealised Interest / Interest
- Principal

However, in Compromise and Resolution/ Settlement through National Company Law Tribunal (NCLT) cases, the recoveries are appropriated as per the terms of respective compromise/ resolution/ settlement. And in case of suit filed accounts, recovery is appropriated as per directives of respective courts.

### 4. Floating Provisions & Countercyclical Provisioning Buffer:

The Bank has a policy for creation and utilisation of Countercyclical Provisioning Buffer in good times as well as for floating provisions separately for advances, investments, and general purposes. The quantum of floating provisions and Countercyclical Provisioning Buffer to be created is assessed at the end of the financial year. These provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

### 5. Provision for Country Exposure:

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, Insignificant, Very Low, Low, Medium, High, Very High, Restricted and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others".

### 6. Derivatives:

- 6.1 The Bank enter into Interest Rate derivatives (e.g. Interest Rate Swaps, Interest Rate Futures, Interest Rate Options, Interest Rate Caps and Floors, Forward Rate Agreements) and Foreign Currency Derivatives (e.g. Foreign Exchange Contracts, Currency/Cross Currency Swaps, Currency Options, Currency Futures) to hedge on-balance sheet/ off-balance sheet assets and liabilities or for trading purposes. Bank categorises the derivatives portfolio into three fair value hierarchies viz. Level 1, Level 2, and Level 3 as defined for investments.
- 6.2 The Bank follow the hedge accounting treatment stipulated in the Guidance Note on Accounting for Derivative Contracts

(Revised 2021) issued by Institute of Chartered Accountants of India (ICAI), wherein:

- i. Under the Fair Value Hedge Accounting Model, the hedging instrument is measured at fair value with the change in fair value recognised in the Profit & Loss Account. The hedged item is re-measured at fair value in respect of the hedged risk and the resulting change is recognised in the Profit & Loss. Thus, the fair value changes of the hedged item and the hedging instrument offset and result in no net impact in the statement of Profit & Loss except for the impact of Hedge Ineffectiveness.
- ii. Under the Cash Flow Hedge, the hedging instrument is measured at fair value with the change in fair value of an effective hedge recognised in the Cash Flow Hedge Reserve and change in fair value of ineffective portion of gain or loss recognised in Profit & Loss Account. The changes in fair value of hedging instruments recognised in Cash Flow Reserve are recycled and recognised in Profit & Loss account while the impact of the hedged item is recognised in the Profit & Loss Account.

6.3 Application of hedge accounting is stopped when the risk management objective as defined originally at the time of first applying hedge accounting principles is no longer met. The hedge relationship is discontinued if:

- The hedging instrument expires or is sold, terminated, or exercised.
- Hedge items mature or is sold/terminated or forecast transaction is no longer expected to occur.
- Hedging relationship (or a part of a hedging relationship) cease to meet the qualifying criteria for hedge accounting.

6.4 Except as mentioned above, all other derivative contracts are marked to market as per the Generally Accepted Accounting Practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the Profit and Loss Account in the period of change. Any receivable under derivative contracts, which remain overdue for more than 90 days, are reversed through Profit and Loss Account to "Suspense Account Crystallised Receivables". In cases where the derivative contracts provide for more settlement in future and if the derivative contract is not terminated on the overdue receivables remaining unpaid for 90 days, the positive MTM

pertaining to future receivables is also reversed from Profit and Loss Account to "Suspense Account - Positive MTM".

- 6.5 Option premium paid or received is recorded in Profit and Loss Account at the expiry of the option. The balance in the premium received on options sold and premium paid on options bought is considered to arrive at Mark-to-Market value for forex Over the Counter (OTC) options.
- 6.6 Exchange Traded Derivatives entered in for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognised in the Profit and Loss Account.

## 7. Fixed Assets, Depreciation and Amortisation:

- 7.1 Fixed Assets are carried at cost less accumulated depreciation/ amortisation except for freehold premises carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation, unless stated otherwise.
- 7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put-to-use. Subsequent expenditure(s) incurred on the assets put-to-use are capitalised only when it increases the future benefits from such assets or their functioning capability. The fixed assets in domestic offices are depreciated at straight line method based on useful life of the assets stated as under:

| Sl. No. | Description of Fixed Assets                                                                                  | Useful life for Depreciation |
|---------|--------------------------------------------------------------------------------------------------------------|------------------------------|
| i.      | Computers                                                                                                    | 3 years                      |
| ii.     | Computer Software forming an integral part of the computer hardware                                          | 3 years                      |
| iii.    | Computer Software which does not form an integral part of Computer hardware and cost of Software Development | 3 years                      |
| iv.     | Automated Teller Machine/ Cash Deposit Machine/ Coin Dispenser/ Coin Vending Machine                         | 5 years                      |
| v.      | Server                                                                                                       | 4 years                      |
| vi.     | Network Equipment                                                                                            | 5 years                      |
| vii.    | <u>Other major fixed assets:</u>                                                                             |                              |
|         | Premises                                                                                                     | 60 Years                     |
|         | Safe Deposit Lockers                                                                                         | 20 Years                     |
|         | Furniture & Fixtures                                                                                         | 10 Years                     |
|         | Air Conditioners                                                                                             | 8 Years                      |
|         | Vehicles                                                                                                     | 5 Years                      |

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

- 7.3 In respect of assets acquired during the year (for domestic operations), depreciation is charged on proportionate basis for the number of days the assets have been put-to-use during the year.
- 7.4 Assets costing less than ₹1,000 each are charged off in the year of purchase.
- 7.5 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease (except for premises and land on perpetual lease) and Lease payments for assets taken on Operating lease are recognised as expense in the Profit & Loss account over the lease term on straight line basis.
- 7.6 In respect of fixed assets held at foreign offices, depreciation is provided as per the regulations / norms of the respective countries.
- 7.7 The Bank revalue freehold immovable assets at every three years. The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to General Reserve. The revalued asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

### 8. Impairment of Assets:

Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

### 9. Effect of changes in the foreign exchange rate:

#### 9.1 Foreign Currency Transactions:

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/ forward) rates.

- iii. Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.
- iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.
- v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognised in the Profit and Loss Account.
- vi. Foreign Currency Forward or Future Contract entered to hedge payment of a monetary asset or a liability and a Currency Swap Contract (principal only; no interest rate element) that hedges the repayment of principal of foreign currency loan are revalued at the closing spot rate and exchange difference on such contracts is recognised in Profit and Loss Account.

The premium or discount arising at the inception of these contracts is amortised as expense or income over the life of the contract. Any Profit or Loss arising on cancellation or renewal of such contracts is recognised as income or expense for the period.

- vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.
- viii. Gains/ Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/ losses are recognised in the Profit and Loss Account.

#### 9.2 Foreign Operations:

Foreign Branches of the Bank and Offshore Banking Units (OBU) have been classified as Non-integral Operations and Representative Offices have been classified as Integral Operations.

##### i. Non-integral Operations:

- a. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.



- b. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.
- c. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.
- d. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country on the balance sheet date.

**ii. Integral Operations:**

- a. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- b. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/ Forward) exchange rates notified by FEDAI at the balance sheet date and the resulting Profit/ Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.
- c. Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

## **10. Employee Benefits:**

### **10.1 Short Term Employee Benefits:**

The undiscounted amounts of short-term employee benefits, such as medical benefits which are expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

### **10.2 Long Term Employee Benefits:**

**i. Defined Benefit Plans:**

- a. The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes to the fund at 10% of employee's basic pay plus eligible

allowance monthly. These contributions are remitted to a Trust established for this purpose and are charged to Profit and Loss Account. The Bank recognises such annual contributions as an expense in the year to which it relates. Shortfall, if any, is provided for based on actuarial valuation.

- b. The Bank operates Gratuity and Pension schemes which are defined benefit plans.
  - The Bank provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities or Service Gratuity without cap for erstwhile Associate Bank's employees. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.
  - The Bank provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the Pension Fund at 10% of salary in terms of SBI Employees' Pension Fund Regulations. The pension liability is reckoned based on an independent actuarial valuation carried out annually and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the Pension Fund Regulations.
- c. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains/ losses are immediately recognised in the Profit and Loss Account and are not deferred.

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### ii. Defined Contribution Plan:

The defined contribution plan i.e. a New Pension Scheme (NPS) is applicable from for all officers/ employees joining the Bank on or after 1<sup>st</sup> August 2010. As per the scheme, these employees contribute 10% of their basic pay plus dearness allowance to the scheme together with Bank's contribution at 14% of basic pay plus dearness allowance. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in the Bank and earn interest at the rate applicable to Provident Fund balance. The Bank recognises such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

### iii. Other Long Term Employee Benefits:

- a. All eligible employees of the Bank are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long-term employee benefits are internally funded by the Bank.
- b. The cost of providing other long-term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost, if any, is immediately recognised in the Profit and Loss Account and is not deferred.

**10.3** Employee benefits relating to employees employed at foreign offices are valued and accounted for as per the respective local laws/ regulations.

### 11. Segment Reporting:

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India (ICAI).

### 12. Taxes on income:

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act,

1961 and as per Accounting Standard 22 – “Accounting for Taxes on Income” respectively after considering taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions. Deferred Tax adjustments comprise of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account. Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

### 13. Earnings Per Share:

- 13.1 The Bank reports basic and diluted earnings per share in accordance with AS 20 – “Earnings Per Share” issued by Institute of Chartered Accountants of India (ICAI). Basic Earnings Per Share are computed by dividing the Net Profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.
- 13.2 Diluted Earnings Per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings Per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

### 14. Provisions, Contingent Liabilities and Contingent Assets:

- 14.1 In conformity with AS 29, “Provisions, Contingent Liabilities and Contingent Assets”, issued by the Institute of Chartered Accountants of India, the Bank recognises provisions only when it has a present obligation because of a past event, and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.
- 14.2 No provision is recognised for:

- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or
- ii. any present obligation that arises from past events but is not recognised because:
  - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

- 14.3 Provision for reward points in relation to the "Enterprise-Wide Loyalty Programme" of the Bank is being provided for on the basis of actuarial estimates.
- 14.4 Provisions for onerous contracts are recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.
- 14.5 Contingent Assets are not recognised in the financial statements.

#### **15. Bullion Transactions:**

The Bank imports bullion, including precious metal bars, on a consignment basis to sell to customers. These imports are usually back-to-back and priced based on the supplier's

quoted rate. The Bank earns a fee from these transactions, which is recorded as commission income.

The Bank also accepts gold deposits and provides gold loans, which are treated as deposits and advances, respectively. Interest paid or received on these is recorded as interest expense or income.

Gold deposits, metal loan advances, and closing gold balances are valued at the market rate available on the Balance Sheet date.

#### **16. Special Reserve:**

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors of the Bank has passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

#### **17. Capital Reserve:**

- 17.1 Profit on sale of investments in the Held to Maturity (HTM) category; sale / reclassification of an investment in a subsidiary, associate or joint venture and sale of Fixed Assets are appropriated to Capital Reserve (net of applicable taxes and amount required to be transferred to Statutory Reserve).
- 17.2 Any gain or loss on sale of equity instruments designated under AFS is transferred from AFS-Reserve to the Capital Reserve (net of applicable taxes and amount required to be transferred to Statutory Reserve). As against this, gain or loss on sale of debt instruments in AFS category is transferred from AFS-Reserve to the Profit & Loss Account.

#### **18. Share Issue Expenses:**

Share issue expenses are charged to the Share Premium Account.

#### **19. Cash and cash equivalents:**

Cash and cash equivalents include Cash and Balances with RBI, Balances with Banks and money at call and short notice.



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### SCHEDULE 18: NOTES TO ACCOUNTS

#### 18.1 REGULATORY CAPITAL

##### a. Composition of Regulatory Capital (As per Basel III):

|         |                                                                                                               | (₹ Crore)                         |                                   |
|---------|---------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Sr. No. | Items                                                                                                         | As at 31 <sup>st</sup> March 2025 | As at 31 <sup>st</sup> March 2024 |
| i)      | Common Equity Tier 1 capital                                                                                  | 3,94,378.80                       | 3,33,705.96                       |
| ii)     | Additional Tier 1 capital                                                                                     | 47,591.33                         | 50,471.40                         |
| iii)    | Tier 1 capital (i + ii)                                                                                       | 4,41,970.13                       | 3,84,177.36                       |
| iv)     | Tier 2 capital                                                                                                | 78,091.97                         | 75,846.02                         |
| v)      | Total capital (Tier 1 + Tier 2)                                                                               | 5,20,062.10                       | 4,60,023.38                       |
| vi)     | Total Risk Weighted Assets (RWAs)                                                                             | 36,49,286.55                      | 32,22,358.28                      |
| vii)    | CET 1 Ratio (%)<br>(CET 1 as a percentage of RWAs)                                                            | 10.81%                            | 10.36%                            |
| viii)   | Tier 1 capital Ratio (%)<br>(Tier 1 capital as a percentage of RWAs)                                          | 12.11%                            | 11.93%                            |
| ix)     | Tier 2 capital Ratio (%)<br>(Tier 2 capital as a percentage of RWAs)                                          | 2.14%                             | 2.35%                             |
| x)      | Capital to Risk Weighted Assets Ratio (CRAR) (%)<br>(Total capital as a percentage of RWAs)                   | 14.25%                            | 14.28%                            |
| xi)     | Leverage Ratio                                                                                                | 6.01%                             | 5.67%                             |
| xii)    | Percentage of the Shareholding of Government of India                                                         | 56.92%                            | 56.92%                            |
| xiii)   | Amount of paid-up equity capital raised during the year *                                                     | 0.00081                           | Nil                               |
| xiv)    | Amount of non-equity Tier 1 capital raised during the year:<br>Basel III compliant Perpetual Debt Instruments | 5,000.00                          | 8,101.00                          |
| xv)     | Amount of Tier 2 capital raised during the year:<br>Basel III compliant Debt Capital instruments              | 15,000.00                         | 10,000.00                         |

RBI vide circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated 1<sup>st</sup> March 2016, has given discretion to banks to consider Revaluation Reserve, Foreign Currency Translation Reserve and Deferred Tax Asset for purposes of computation of Capital Adequacy as CET- I capital ratio. The Bank has exercised the option in the above computation.

\* During the financial year 2024-25, the Bank has allotted 8,100 equity shares of ₹1/- each for cash at a premium of ₹158/- per equity share out of shares held in abeyance for resolution of dispute for title of Right Issue-2008. Out of the total subscription ₹8,100/- was transferred to Share Capital Account and ₹12,79,800/- to Share Premium Account. At the end of the financial year 7,85,130 shares are held in abeyance for resolution of dispute for title to the Right Issue-2008.

##### b. Drawdown from Reserves:

The Bank has not drawn any amount from reserves during the year ended 31<sup>st</sup> March 2025.

**c. Innovative Perpetual Debt Instruments (IPDI):**

The details of IPDI issued which qualify for Hybrid Tier I Capital and outstanding as on 31<sup>st</sup> March 2025 are as under:

| Sr. No.      | Nature of Bonds                                                       | Principal Amount<br>(₹ in Crore) | Date of Issue | Interest Rate<br>% p.a. |
|--------------|-----------------------------------------------------------------------|----------------------------------|---------------|-------------------------|
| i)           | SBI Non-Convertible, Unsecured, Basel III AT1 Bonds 2020-21 Series I  | 4,000.00                         | 09.09.2020    | 7.74                    |
| ii)          | SBI Non-Convertible Unsecured, Basel III AT1 Bonds -2020-21 Series II | 2,500.00                         | 24.11.2020    | 7.73                    |
| iii)         | SBI Non-Convertible Unsecured, Basel III AT1 Bonds 2021-22 Series I   | 4,000.00                         | 03.09.2021    | 7.72                    |
| iv)          | SBI Non-Convertible Unsecured, Basel III AT1 Bonds 2021-22 Series II  | 6,000.00                         | 18.10.2021    | 7.72                    |
| v)           | SBI Non-Convertible Unsecured, Basel III AT1 Bonds 2021-22 Series III | 3,974.00                         | 14.12.2021    | 7.55                    |
| vi)          | SBI Non-Convertible Unsecured, Basel III AT1 Bonds 2022-23 Series I   | 6,872.00                         | 09.09.2022    | 7.75                    |
| vii)         | SBI Non-Convertible Unsecured, Basel III AT1 Bonds 2022-23 Series II  | 4,544.00                         | 21.02.2023    | 8.20                    |
| viii)        | SBI Non-Convertible Unsecured, Basel III AT1 Bonds 2022-23 Series III | 3,717.00                         | 09.03.2023    | 8.25                    |
| ix)          | SBI Non-Convertible Unsecured, Basel III AT1 Bonds 2023-24 Series I   | 3,101.00                         | 14.07.2023    | 8.10                    |
| x)           | SBI Non-Convertible Unsecured, Basel III AT1 Bonds 2023-24 Series II  | 5,000.00                         | 19.01.2024    | 8.34                    |
| xi)          | SBI Non-Convertible Unsecured, Basel III AT1 Bonds 2024-25            | 5,000.00                         | 24.10.2024    | 7.98                    |
| <b>TOTAL</b> |                                                                       | <b>48,708.00</b>                 |               |                         |

**d. Subordinated Debts:**

The bonds are unsecured, long term, non-convertible and are redeemable at par. The details of outstanding subordinate debts are as under: -

| Sr. No.      | Nature of Bonds                            | Principal Amount<br>(₹ in Crore) | Date of Issue<br>/Date of Redemption | Interest Rate<br>% p.a. | Maturity Period<br>in Months |
|--------------|--------------------------------------------|----------------------------------|--------------------------------------|-------------------------|------------------------------|
| i)           | e -SBH Tier II                             | 500.00                           | 30.12.2015                           | 8.40                    | 120                          |
|              | Basel III compliant (Series XV)            |                                  | 30.12.2025                           |                         |                              |
| ii)          | e-SBM Tier II                              | 300.00                           | 31.12.2015                           | 8.40                    | 120                          |
|              | Basel III compliant                        |                                  | 31.12.2025                           |                         |                              |
| iii)         | e-SBM Tier II                              | 200.00                           | 18.01.2016                           | 8.45                    | 120                          |
|              | Basel III compliant                        |                                  | 18.01.2026                           |                         |                              |
| iv)          | e -SBH Tier II                             | 200.00                           | 08.02.2016                           | 8.45                    | 120                          |
|              | Basel III compliant (Series XVI)           |                                  | 08.02.2026                           |                         |                              |
| v)           | SBI Non-Convertible, Unsecured             | 8,931.00                         | 21.08.2020                           | 6.80                    | 180                          |
|              | Basel III -Tier II Bonds 2020-21 Series I  |                                  | 21.08.2035                           |                         |                              |
| vi)          | SBI Non-Convertible, Unsecured             | 7,000.00                         | 21.09.2020                           | 6.24                    | 120                          |
|              | Basel III -Tier II Bonds 2020-21 Series II |                                  | 21.09.2030                           |                         |                              |
| vii)         | SBI Non-Convertible, Unsecured             | 5,000.00                         | 26.10.2020                           | 5.83                    | 120                          |
|              | Basel III Tier 2 Bonds 2020-21 Series III  |                                  | 26.10.2030                           |                         |                              |
| viii)        | SBI Non-Convertible, Unsecured             | 4,000.00                         | 23.09.2022                           | 7.57                    | 180                          |
|              | Basel III Tier 2 Bonds 2022-2023 Series I  |                                  | 23.09.2037                           |                         |                              |
| ix)          | SBI Non-Convertible, Unsecured             | 10,000.00                        | 02.11.2023                           | 7.81                    | 180                          |
|              | Basel III Tier 2 Bonds 2023-2024           |                                  | 02.11.2038                           |                         |                              |
| x)           | SBI Non-Convertible, Unsecured             | 7,500.00                         | 29.08.2024                           | 7.42                    | 180                          |
|              | Basel III Tier 2 Bonds 2024-2025 Series I  |                                  | 29.08.2039                           |                         |                              |
| xi)          | SBI Non-Convertible, Unsecured             | 7,500.00                         | 20.09.2024                           | 7.33                    | 180                          |
|              | Basel III Tier 2 Bonds 2024-2025 Series II |                                  | 20.09.2039                           |                         |                              |
| <b>TOTAL</b> |                                            | <b>51,131.00</b>                 |                                      |                         |                              |

## Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### 18.2. ASSET LIABILITY MANAGEMENT

#### a. Maturity pattern of certain items of assets and liabilities as at 31<sup>st</sup> March 2025:

|                                 | Day1        | 2-7 Days      | 8-14 Days   | 15 to 30 days | Over 31 days and upto 2 months | Over 2 months and upto 3 months | Over 3 months & upto 6 months | Over 6 months & upto 1 Year | Over 1 Year & upto 3 years | Over 3 Years & upto 5 years | Over 5 Years   | Total          |
|---------------------------------|-------------|---------------|-------------|---------------|--------------------------------|---------------------------------|-------------------------------|-----------------------------|----------------------------|-----------------------------|----------------|----------------|
|                                 |             |               |             |               |                                |                                 |                               |                             |                            |                             |                | (₹ in Crore)   |
| Deposits                        | 71,320.39   | 1,14,914.53   | 51,959.28   | 80,701.48     | 1,15,301.78                    | 94,956.61                       | 2,38,139.88                   | 10,78,275.61                | 15,65,899.80               | 5,26,373.78                 | 14,44,346.39   | 53,82,189.53   |
|                                 | (62,388.64) | (91,980.91)   | (48,883.19) | (76,745.22)   | (96,162.50)                    | (73,330.72)                     | (2,23,144.27)                 | (10,91,758.84)              | (13,08,824.69)             | (4,99,189.18)               | (13,43,668.61) | (49,16,076.77) |
| Advances                        | 57,923.89   | 22,324.04     | 19,273.16   | 66,965.61     | 1,00,191.22                    | 60,463.49                       | 2,09,083.92                   | 2,90,875.10                 | 16,15,800.15               | 5,08,882.11                 | 12,11,529.41   | 41,63,312.10   |
|                                 | (48,490.57) | (20,243.78)   | (18,200.46) | (63,527.57)   | (79,495.23)                    | (59,539.62)                     | (1,77,491.33)                 | (2,58,065.63)               | (14,21,478.78)             | (4,99,508.52)               | (10,57,929.36) | (37,03,970.85) |
| Investments                     | 203.63      | 21,29.80      | 560.30      | 7,238.04      | 9,698.19                       | 14,780.13                       | 31,462.90                     | 1,28,934.35                 | 2,55,613.91                | 3,43,126.82                 | 8,96,824.68    | 16,90,572.75   |
|                                 | (401.67)    | (4,656.47)    | (2,612.69)  | (12,025.91)   | (20,920.94)                    | (29,133.31)                     | (47,085.63)                   | (1,41,889.43)               | (3,12,103.33)              | (2,13,496.44)               | (8,87,013.84)  | (16,71,339.66) |
| Borrowings                      | 2,540.82    | 25,365.61     | 6,203.40    | 38,634.75     | 38,669.08                      | 34,547.03                       | 85,976.72                     | 76,812.87                   | 67,928.29                  | 42,690.10                   | 1,44,203.85    | 5,63,572.52    |
|                                 | (59,009.00) | (1,00,380.89) | (4,567.20)  | (27,865.05)   | (29,449.90)                    | (35,365.03)                     | (73,860.39)                   | (49,411.34)                 | (80,558.21)                | (42,787.25)                 | (94,306.65)    | (5,97,560.91)  |
| Foreign Currency Assets*        | 17,001.48   | 9,554.60      | 8,968.88    | 40,764.49     | 53,880.40                      | 43,169.18                       | 1,11,516.90                   | 95,799.96                   | 2,28,356.41                | 96,916.46                   | 85,263.59      | 7,91,192.35    |
|                                 | (15,621.97) | (9,830.90)    | (8,385.25)  | (42,254.85)   | (40,481.78)                    | (45,373.87)                     | (89,465.07)                   | (73,261.52)                 | (1,82,089.19)              | (1,08,502.14)               | (57,547.38)    | (6,72,813.92)  |
| Foreign Currency Liabilities \$ | 29,108.56   | 9,307.13      | 10,149.01   | 48,649.25     | 64,211.11                      | 62,276.30                       | 1,19,832.52                   | 1,27,862.75                 | 1,22,011.75                | 55,320.36                   | 19,769.90      | 6,68,498.64    |
|                                 | (23,328.17) | (7,999.52)    | (7,797.35)  | (36,812.27)   | (42,343.85)                    | (45,723.86)                     | (1,11,574.02)                 | (96,735.79)                 | (99,192.23)                | (64,387.38)                 | (19,293.86)    | (5,55,188.30)  |

# Foreign Currency Assets represent advances and investments.

\$ Foreign Currency Liabilities represent borrowings and deposits.

(Figures in brackets are as at 31<sup>st</sup> March 2024).

#### b. Liquidity Coverage Ratio (LCR):

##### i. Standalone LCR

Liquidity Coverage Ratio (LCR) standard has been introduced in the Bank with an objective to maintain an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30-calendar days time horizon under a significantly severe liquidity stress scenario.

$$LCR = \frac{\text{Stock of High-Quality Liquid Assets (HQLAs)}}{\text{Total net cash outflows over the next 30 calendar days}}$$

Liquid assets comprise of high-quality assets that can be readily encashed or used as collateral to obtain cash in a stress scenario. There are two categories of assets included in the stock of HQLAs, viz. Level 1 and Level 2 (Level 2A and Level 2B) assets. While Level 1 assets attract 0% haircut, Level 2A and Level 2B assets are with 15% and 50% haircuts respectively. The total net cash outflows is the total expected cash outflows less total expected cash inflows for the subsequent 30 calendar days. Total expected cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by the rates at which they are expected to run-off or be drawn down. Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in up to an aggregate cap of 75% of total expected cash outflows.

## Quantitative Disclosure

(₹ in Crore)

| Liquidity Coverage Ratio (State Bank of India - Standalone)                   |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
|-------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|-------------------------------------------------|-----------------------------------------|--------------------------------------------------|-----------------------------------------|---------------------------------------------|-----------------------------------------|----------------------------------------------|-----------------------------------------|
| LCR COMPONENTS                                                                | Quarter ended<br>31 <sup>st</sup> March 2025 |                                         | Quarter ended<br>31 <sup>st</sup> December 2024 |                                         | Quarter ended<br>30 <sup>th</sup> September 2024 |                                         | Quarter ended<br>30 <sup>th</sup> June 2024 |                                         | Quarter ended<br>31 <sup>st</sup> March 2024 |                                         |
|                                                                               | Total<br>Unweighted<br>Value<br>(Average)    | Total<br>Weighted<br>Value<br>(Average) | Total<br>Unweighted<br>Value<br>(Average)       | Total<br>Weighted<br>Value<br>(Average) | Total<br>Unweighted<br>Value<br>(Average)        | Total<br>Weighted<br>Value<br>(Average) | Total<br>Unweighted<br>Value<br>(Average)   | Total<br>Weighted<br>Value<br>(Average) | Total<br>Unweighted<br>Value<br>(Average)    | Total<br>Weighted<br>Value<br>(Average) |
| <b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>                                      |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| 1. Total High Quality Liquid Assets (HQLA)                                    |                                              | 14,37,326                               |                                                 | 14,27,211                               |                                                  | 13,65,149                               |                                             | 12,93,543                               |                                              | 13,13,148                               |
| <b>CASH OUTFLOWS</b>                                                          |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| 2. Retail Deposits and deposits from small business customers, of which:      |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| i) Stable deposits                                                            | 10,28,565                                    | 51,428                                  | 10,14,744                                       | 50,737                                  | 10,02,005                                        | 50,100                                  | 9,89,176                                    | 49,459                                  | 9,73,866                                     | 48,693                                  |
| ii) Less Stable Deposits                                                      | 25,19,525                                    | 2,51,953                                | 24,66,230                                       | 2,46,623                                | 24,23,637                                        | 2,42,364                                | 23,52,707                                   | 2,35,271                                | 22,91,273                                    | 2,29,127                                |
| 3. Unsecured wholesale funding, of which:                                     |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| i) Operational deposits (all counterparties)                                  | -                                            | -                                       | -                                               | -                                       | -                                                | -                                       | -                                           | -                                       | -                                            | -                                       |
| ii) Non-operational deposits (all counterparties)                             | 13,31,463                                    | 7,74,932                                | 12,93,396                                       | 7,54,654                                | 13,08,139                                        | 7,66,396                                | 12,61,845                                   | 7,40,152                                | 12,70,853                                    | 7,46,617                                |
| iii) Unsecured debt                                                           | -                                            | -                                       | -                                               | -                                       | -                                                | -                                       | -                                           | -                                       | -                                            | -                                       |
| 4. Secured wholesale funding                                                  | 1,01,557                                     | 990                                     | 81,040                                          | 107                                     | 67,123                                           | 456                                     | 1,65,343                                    | 364                                     | 1,48,018                                     | 188                                     |
| 5. Additional requirements, of which                                          |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| i) Outflows related to derivative exposures and other collateral requirements | 1,03,698                                     | 1,03,698                                | 3,91,482                                        | 3,91,482                                | 3,78,232                                         | 3,78,232                                | 4,76,429                                    | 4,76,429                                | 4,13,077                                     | 4,13,077                                |
| ii) Outflows related to loss of funding on debt products                      | -                                            | -                                       | -                                               | -                                       | -                                                | -                                       | -                                           | -                                       | -                                            | -                                       |
| iii) Credit and liquidity facilities                                          | 1,45,996                                     | 49,006                                  | 1,23,331                                        | 37,883                                  | 1,13,027                                         | 33,866                                  | 1,14,050                                    | 33,921                                  | 1,15,723                                     | 33,872                                  |
| 6. Other contractual funding obligations                                      | 60,814                                       | 60,814                                  | 67,253                                          | 67,253                                  | 59,141                                           | 59,141                                  | 54,003                                      | 54,003                                  | 52,747                                       | 52,747                                  |
| 7. Other contingent funding obligations                                       | 10,13,634                                    | 40,385                                  | 9,69,012                                        | 38,577                                  | 9,38,962                                         | 37,363                                  | 9,44,579                                    | 37,735                                  | 9,50,450                                     | 38,029                                  |
| 8. Total Cash Outflows                                                        | 63,05,252                                    | 13,33,205                               | 64,06,488                                       | 15,87,316                               | 62,90,266                                        | 15,67,918                               | 63,58,132                                   | 16,27,334                               | 62,16,008                                    | 15,62,351                               |
| <b>CASH INFLOWS</b>                                                           |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| 9. Secured lending (e.g. Reverse repos)                                       | 691                                          | -                                       | 286                                             | -                                       | 1,790                                            | -                                       | 3,833                                       | -                                       | 4,445                                        | -                                       |
| 10. Inflows from fully performing exposures                                   | 2,41,580                                     | 1,95,770                                | 5,32,159                                        | 4,86,446                                | 5,08,302                                         | 4,65,551                                | 5,96,895                                    | 5,57,826                                | 5,35,048                                     | 4,94,161                                |
| 11. Other cash inflows                                                        | 63,539                                       | 50,704                                  | 59,762                                          | 49,428                                  | 56,964                                           | 47,571                                  | 63,986                                      | 51,723                                  | 65,374                                       | 50,401                                  |
| 12. Total Cash Inflows                                                        | 3,05,810                                     | 2,46,475                                | 5,92,207                                        | 5,35,874                                | 5,67,056                                         | 5,13,122                                | 6,64,714                                    | 6,09,549                                | 6,04,867                                     | 5,44,562                                |
| 13. Total HQLA                                                                |                                              | 14,37,326                               |                                                 | 14,27,211                               |                                                  | 13,65,149                               |                                             | 12,93,543                               |                                              | 13,13,148                               |
| 14. Total Net Cash Outflows                                                   |                                              | 10,86,730                               |                                                 | 10,51,442                               |                                                  | 10,54,796                               |                                             | 10,17,785                               |                                              | 10,17,789                               |
| 15. Liquidity Coverage Ratio (%)                                              |                                              | 132.26%                                 |                                                 | 135.74%                                 |                                                  | 129.42%                                 |                                             | 127.09%                                 |                                              | 129.02%                                 |

In accordance with RBI guidelines vide circular No. RBI/2014-15/529 DBR. No. BP/BC.80/21.06.201/2014-15 dated 31<sup>st</sup> March 2015, average weighted and unweighted amounts have been calculated taking simple daily average. The Bank has considered 68 data points for the quarter January to March 2025.

## Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

Bank's LCR comes to 132.26% based on daily average position of three months (Q4 FY2024-25) and remained above the minimum regulatory requirement of 100%. Average HQLA held during the quarter was ₹14,37,326 Crore, with 96.47% being Level 1 assets. Level 2A and Level 2B assets constitute 2.82% and 0.71% of total HQLA, respectively. Government Securities constituted 92.76% of Total Level 1 Assets. During the quarter, the weighted average HQLA level increased by ₹10,115 Crore primarily on account of growth in excess CRR balance. Further, the weighted average net cash outflows position grown by ₹35,288 Crore on account of increase in deposits level across all the segments. Derivative exposures are considered insignificant due to almost matching inflows and outflows position. During the quarter, LCR for USD (significant Foreign Currency constituting more than 5% of the Balance Sheet of the Bank) was at 418.77%, on an average.

Liquidity Management in the Bank is driven by the ALM Policy of the Bank and regulatory prescriptions. The Domestic and International Treasuries are apprising the liquidity position to the Asset Liability Management Committee (ALCO) of the Bank. The ALCO has been empowered by the Bank's Board to formulate the Bank's funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Bank. All the major decisions of ALCO are being reported to the Bank's Board subsequently. Besides daily/monthly LCR reporting, Bank also prepares daily Structural Liquidity statements to assess the liquidity needs of the Bank on an ongoing basis.

The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, which are well diversified. Management is of the view that the Bank has sufficient liquidity cushion to meet the future commitments.

### ii. Consolidated LCR

The RBI through a supplementary guideline issued on 31<sup>st</sup> March 2015 had stipulated the implementation of LCR at a consolidated level from 1<sup>st</sup> January 2016 and accordingly, LCR has been computed at Group level.

The entities covered in the Group LCR are SBI and Seven (7) Overseas Banking Subsidiaries - Commercial Indo Bank LLC, Moscow, Nepal SBI Bank Ltd., State Bank of India (California), SBI Canada Bank, State Bank of India (Mauritius) Ltd, PT Bank SBI Indonesia and State Bank of India (UK) Ltd and One Non-Banking Subsidiary (NBS) - SBI Cards and Payment Services Ltd.

SBI Group LCR comes to 132.83% as on 31<sup>st</sup> March 2025 based on average of three months January, February and March 2025, which is above the minimum regulatory requirement of 100%.

The Group has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, and such funding sources are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future short-term requirements.

## Quantitative Disclosure

(₹ in Crore)

| Liquidity Coverage Ratio (State Bank of India Group)                          |                                             |                                         |                                             |                                         |                                             |                                         |                                             |                                         |                                             |                                         |
|-------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------------|---------------------------------------------|-----------------------------------------|---------------------------------------------|-----------------------------------------|---------------------------------------------|-----------------------------------------|---------------------------------------------|-----------------------------------------|
| GLCR COMPONENTS                                                               | Quarter ended<br>March 31, 2025             |                                         | Quarter ended<br>December 31, 2024          |                                         | Quarter ended<br>September 30, 2024         |                                         | Quarter ended<br>June 30, 2024              |                                         | Quarter ended<br>March 31, 2024             |                                         |
|                                                                               | Total<br>Unweighted<br>Value<br>(Average)** | Total<br>Weighted<br>Value<br>(Average) | Total<br>Unweighted<br>Value<br>(Average)** | Total<br>Weighted<br>Value<br>(Average) | Total<br>Unweighted<br>Value<br>(Average)** | Total<br>Weighted<br>Value<br>(Average) | Total<br>Unweighted<br>Value<br>(Average)** | Total<br>Weighted<br>Value<br>(Average) | Total<br>Unweighted<br>Value<br>(Average)** | Total<br>Weighted<br>Value<br>(Average) |
| <b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>                                      |                                             |                                         |                                             |                                         |                                             |                                         |                                             |                                         |                                             |                                         |
| 1. Total High Quality Liquid Assets (HQLA)                                    |                                             | 14,48,277                               |                                             | 14,36,833                               |                                             | 13,74,090                               |                                             | 13,13,366                               |                                             | 13,33,091                               |
| <b>CASH OUTFLOWS</b>                                                          |                                             |                                         |                                             |                                         |                                             |                                         |                                             |                                         |                                             |                                         |
| 2. Retail Deposits and deposits from small business customers, of which:      |                                             |                                         |                                             |                                         |                                             |                                         |                                             |                                         |                                             |                                         |
| i) Stable deposits                                                            | 10,38,833                                   | 51,942                                  | 10,24,762                                   | 51,238                                  | 10,11,622                                   | 50,581                                  | 9,98,648                                    | 49,932                                  | 9,83,580                                    | 49,179                                  |
| ii) Less Stable Deposits                                                      | 25,37,396                                   | 2,53,740                                | 24,83,064                                   | 2,48,306                                | 24,39,519                                   | 2,43,952                                | 23,67,879                                   | 2,36,788                                | 23,07,011                                   | 2,30,701                                |
| 3. Unsecured wholesale funding, of which:                                     |                                             |                                         |                                             |                                         |                                             |                                         |                                             |                                         |                                             |                                         |
| i) Operational deposits (all counterparties)                                  | 236                                         | 59                                      | 233                                         | 58                                      | 202                                         | 50                                      | 236                                         | 59                                      | 225                                         | 56                                      |
| ii) Non-operational deposits (all counterparties)                             | 13,36,968                                   | 7,78,177                                | 12,98,638                                   | 7,57,723                                | 13,13,662                                   | 7,69,776                                | 12,67,200                                   | 7,43,740                                | 12,76,114                                   | 7,49,851                                |
| iii) Unsecured debt                                                           | -                                           | -                                       | -                                           | -                                       | -                                           | -                                       | -                                           | -                                       | -                                           | -                                       |
| 4. Secured wholesale funding                                                  | 1,06,919                                    | 6,352                                   | 86,248                                      | 5,315                                   | 71,304                                      | 4,637                                   | 1,70,852                                    | 5,873                                   | 1,56,781                                    | 8,952                                   |
| 5. Additional requirements, of which                                          |                                             |                                         |                                             |                                         |                                             |                                         |                                             |                                         |                                             |                                         |
| i) Outflows related to derivative exposures and other collateral requirements | 1,03,829                                    | 1,03,829                                | 3,91,641                                    | 3,91,641                                | 3,78,385                                    | 3,78,385                                | 4,76,584                                    | 4,76,584                                | 4,13,228                                    | 4,13,228                                |
| ii) Outflows related to loss of funding on debt products                      | -                                           | -                                       | -                                           | -                                       | -                                           | -                                       | -                                           | -                                       | -                                           | -                                       |
| iii) Credit and liquidity facilities                                          | 1,50,609                                    | 51,359                                  | 1,27,910                                    | 40,390                                  | 1,17,471                                    | 36,306                                  | 1,18,426                                    | 36,329                                  | 1,20,142                                    | 36,444                                  |
| 6. Other contractual funding obligations                                      | 71,267                                      | 71,267                                  | 78,069                                      | 78,069                                  | 69,557                                      | 69,557                                  | 61,308                                      | 61,308                                  | 58,389                                      | 58,389                                  |
| 7. Other contingent funding obligations                                       | 10,16,076                                   | 40,459                                  | 9,71,446                                    | 38,650                                  | 9,41,293                                    | 37,434                                  | 9,46,956                                    | 37,806                                  | 9,52,861                                    | 38,103                                  |
| 8. Total Cash Outflows                                                        | 63,62,133                                   | 13,57,181                               | 64,62,010                                   | 16,11,390                               | 63,43,016                                   | 15,90,679                               | 64,08,089                                   | 16,48,419                               | 62,68,331                                   | 15,84,903                               |
| <b>CASH INFLOWS</b>                                                           |                                             |                                         |                                             |                                         |                                             |                                         |                                             |                                         |                                             |                                         |
| 9. Secured lending (e.g. Reverse repos)                                       | 691                                         | -                                       | 286                                         | -                                       | 1,790                                       | -                                       | 3,833                                       | -                                       | 4,445                                       | -                                       |
| 10. Inflows from fully performing exposures                                   | 2,49,170                                    | 1,99,745                                | 5,40,316                                    | 4,91,118                                | 5,16,548                                    | 4,70,269                                | 6,05,673                                    | 5,62,834                                | 5,43,472                                    | 4,98,808                                |
| 11. Other cash inflows                                                        | 79,984                                      | 67,150                                  | 76,450                                      | 66,116                                  | 72,810                                      | 63,417                                  | 79,601                                      | 67,338                                  | 80,505                                      | 65,532                                  |
| 12. Total Cash Inflows                                                        | 3,29,845                                    | 2,66,895                                | 6,17,052                                    | 5,57,234                                | 5,91,148                                    | 5,33,686                                | 6,89,106                                    | 6,30,172                                | 6,28,422                                    | 5,64,340                                |
| 13. Total HQLA                                                                |                                             | 14,48,277                               |                                             | 14,36,833                               |                                             | 13,74,090                               |                                             | 13,13,366                               |                                             | 13,33,091                               |
| 14. Total Net Cash Outflows                                                   |                                             | 10,90,286                               |                                             | 10,54,157                               |                                             | 10,56,993                               |                                             | 10,18,247                               |                                             | 10,20,563                               |
| 15. Liquidity Coverage Ratio(%)                                               |                                             | 132.83%                                 |                                             | 136.30%                                 |                                             | 130.00%                                 |                                             | 128.98%                                 |                                             | 130.62%                                 |

\*\* Monthly average of 3 months data considered for Overseas Banking Subsidiaries, SBI Cards and Payment Services Ltd. and daily average considered for SBI(Solo).

The LCR data of SBI Cards and Payment Services Ltd. has been included in GLCR to align with the extant regulatory guidelines.

Note: The above figures have been compiled based on the management certified figures of Overseas Banking Subsidiaries (which have not been subject to review/audit), SBI Cards and Payment Services Ltd. and relevant records of State Bank of India (Solo).

### c. Net Stable Funding Ratio:

#### i. Standalone Net Stable Funding Ratio

Net Stable Funding Ratio (NSFR) guidelines ensure reduction in funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress. The NSFR is defined as the amount of Available Stable Funding relative to the amount of Required Stable Funding.

$$\text{NSFR} = \frac{\text{Available Stable Funding (ASF)}}{\text{Required Stable Funding (RSF)}} \geq 100\%$$

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

**Quantitative Disclosure:** The following table contains unweighted and weighted values of NSFR components of SBI (Solo) as on 31<sup>st</sup> March 2025, 31<sup>st</sup> December 2024, 30<sup>th</sup> September 2024 & 30<sup>th</sup> June 2024 (i.e. quarter end observations).

(₹ in Crore)

| Net Stable Funding Ratio (State Bank of India - Standalone) |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------|-------------------|-----------|----------------|---------------------------------------|------------|-------------------|-----------|----------------|
| NSFR Components                                             |                                                                                                                                                                | Position as on 31.03.2025             |            |                   |           |                | Position as on 31.12.2024             |            |                   |           |                |
|                                                             |                                                                                                                                                                | Unweighted value by residual maturity |            |                   |           | Weighted value | Unweighted value by residual maturity |            |                   |           | Weighted value |
|                                                             |                                                                                                                                                                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                |
| ASF ITEM                                                    |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 1.                                                          | Capital: (2+3)                                                                                                                                                 | 4,41,162                              | 4000       | 2500              | 80,139    | 5,27,801       | 4,35,406                              | -          | 6500              | 80,539    | 5,22,445       |
| 2.                                                          | Regulatory capital                                                                                                                                             | 4,22,254                              | 4000       | 2500              | 80,139    | 5,08,893       | 4,16,566                              | -          | 6500              | 80,539    | 5,03,606       |
| 3.                                                          | Other capital instruments                                                                                                                                      | 18,908                                | -          | -                 | -         | 18,908         | 18,840                                | -          | -                 | -         | 18,840         |
| 4.                                                          | Retail deposits and deposits from small business customers: (5+6)                                                                                              | 16,77,856                             | 6,60,808   | 7,46,907          | 6,10,920  | 33,79,552      | 16,76,230                             | 6,63,797   | 6,80,734          | 6,09,976  | 33,19,392      |
| 5.                                                          | Stable deposits                                                                                                                                                | 4,67,846                              | 1,89,080   | 2,19,538          | 1,61,110  | 9,85,919       | 4,85,895                              | 1,90,739   | 2,02,647          | 1,55,306  | 9,82,857       |
| 6.                                                          | Less stable deposits                                                                                                                                           | 12,10,010                             | 4,71,728   | 5,27,369          | 4,49,810  | 23,93,633      | 11,90,335                             | 4,73,058   | 4,78,087          | 4,54,670  | 23,36,535      |
| 7.                                                          | Wholesale funding: (8+9)                                                                                                                                       | 3,83,672                              | 4,59,823   | 3,71,390          | 3,73,720  | 9,51,376       | 2,96,431                              | 3,54,676   | 3,36,417          | 3,92,365  | 8,54,484       |
| 8.                                                          | Operational deposits                                                                                                                                           | -                                     | -          | -                 | -         | -              | -                                     | -          | -                 | -         | -              |
| 9.                                                          | Other wholesale funding                                                                                                                                        | 3,83,672                              | 4,59,823   | 3,71,390          | 3,73,720  | 9,51,376       | 2,96,431                              | 3,54,676   | 3,36,417          | 3,92,365  | 8,54,484       |
| 10.                                                         | Other liabilities: (11+12)                                                                                                                                     | 7,45,918                              | 2,77,056   | 14,075            | 51,541    | -              | 2,12,672                              | 6,53,121   | 2,17,946          | 2,92,361  | -              |
| 11.                                                         | NSFR derivative liabilities                                                                                                                                    |                                       | 118        | 730               | 344       |                |                                       | 657        | 862               | 832       |                |
| 12.                                                         | All other liabilities and equity not included in the above categories                                                                                          | 7,45,918                              | 2,76,938   | 13,345            | 51,197    | -              | 2,12,672                              | 6,52,464   | 2,17,084          | 2,91,529  | -              |
| 13.                                                         | Total ASF (1+4+7+10)                                                                                                                                           |                                       |            |                   |           | 48,58,729      |                                       |            |                   |           | 46,96,322      |
| RSF ITEM                                                    |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 14.                                                         | Total NSFR high-quality liquid assets (HQLA)                                                                                                                   |                                       |            |                   |           | 83,958         |                                       |            |                   |           | 83,200         |
| 15.                                                         | Deposits held at other financial institutions for operational purposes                                                                                         | 8,525                                 | 7,201      | -                 | -         | 7,863          | 30,088                                | 8,044      | -                 | -         | 19,066         |
| 16.                                                         | Performing loans and securities: (17+18+19+21+23)                                                                                                              | -                                     | 10,58,415  | 4,04,832          | 9,73,267  | 12,96,438      | -                                     | 10,30,592  | 2,97,491          | 10,34,379 | 12,71,669      |
| 17.                                                         | Performing loans to financial institutions secured by Level 1 HQLA                                                                                             | -                                     | 3,424      | -                 | -         | 342            | -                                     | -          | -                 | -         | -              |
| 18.                                                         | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions                                | -                                     | 2,58,517   | -                 | -         | 38,778         | -                                     | 2,54,971   | -                 | -         | 38,246         |
| 19.                                                         | Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which: | -                                     | 7,96,474   | 4,04,832          | 3,71,234  | 8,41,955       | -                                     | 7,75,621   | 2,97,491          | 4,18,733  | 8,08,732       |
| 20.                                                         | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                       | -                                     | -          | -                 | 3,71,234  | 2,41,302       | -                                     | -          | -                 | 4,18,733  | 2,72,176       |
| 21.                                                         | Performing residential mortgages, of which:                                                                                                                    | -                                     | -          | -                 | 4,81,828  | 3,13,188       | -                                     | -          | -                 | 4,93,041  | 3,20,477       |
| 22.                                                         | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                       | -                                     | -          | -                 | 4,81,828  | 3,13,188       | -                                     | -          | -                 | 4,93,041  | 3,20,477       |
| 23.                                                         | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities                                                              | -                                     | -          | -                 | 1,20,205  | 1,02,175       | -                                     | -          | -                 | 1,22,605  | 1,04,214       |
| 24.                                                         | Other assets: (sum of rows 25 to 29)                                                                                                                           | 11,93,035                             | 33,203     | 1,008             | 15,38,912 | 25,54,582      | 9,75,655                              | 2,14,364   | 1,731             | 16,55,366 | 26,35,209      |
| 25.                                                         | Physical traded commodities, including gold                                                                                                                    | 522                                   |            |                   |           | 443            | 51                                    |            |                   |           | 43             |
| 26.                                                         | Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs                                                            |                                       | -          | -                 | -         | 1,366          |                                       | -          | -                 | -         | 1,153          |
| 27.                                                         | NSFR derivative assets                                                                                                                                         |                                       | 792        | -                 | 1,343     | 1,421          |                                       | 90         | -                 | 3,113     | 1,695          |
| 28.                                                         | NSFR derivative liabilities before deduction of variation margin posted                                                                                        |                                       | 113        | 85                | 272       | 469            |                                       | 162        | 72                | 349       | 583            |
| 29.                                                         | All other assets not included in the above categories                                                                                                          | 11,92,513                             | 32,298     | 923               | 15,37,297 | 25,50,883      | 9,75,604                              | 2,14,112   | 1,659             | 16,51,904 | 26,31,735      |
| 30.                                                         | Off-balance sheet items                                                                                                                                        |                                       | 11,56,892  | -                 | -         | 47,541         |                                       | 11,31,805  | -                 | -         | 46,522         |
| 31.                                                         | Total RSF (14+15+16+24+30)                                                                                                                                     |                                       |            |                   |           | 39,90,382      |                                       |            |                   |           | 40,55,666      |
| 32.                                                         | Net Stable Funding Ratio (%)                                                                                                                                   |                                       |            |                   |           | 121.76%        |                                       |            |                   |           | 115.80%        |



(₹ in Crore)

| Net Stable Funding Ratio (State Bank of India - Standalone) |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------|-------------------|-----------|----------------|---------------------------------------|------------|-------------------|-----------|----------------|
| NSFR Components                                             |                                                                                                                                                                | Position as on 30.09.2024             |            |                   |           |                | Position as on 30.06.2024             |            |                   |           |                |
|                                                             |                                                                                                                                                                | Unweighted value by residual maturity |            |                   |           | Weighted value | Unweighted value by residual maturity |            |                   |           | Weighted value |
|                                                             |                                                                                                                                                                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                |
| ASF ITEM                                                    |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 1)                                                          | Capital: (2+3)                                                                                                                                                 | 4,19,559                              | 3,814      | 4,000             | 83,839    | 5,11,212       | 3,97,389                              | 6,918      | -                 | 79,839    | 4,84,146       |
| 2)                                                          | Regulatory capital                                                                                                                                             | 4,00,679                              | 3,814      | 4,000             | 83,839    | 4,92,332       | 3,78,831                              | 6,918      | -                 | 79,839    | 4,65,588       |
| 3)                                                          | Other capital instruments                                                                                                                                      | 18,880                                | -          | -                 | -         | 18,880         | 18,558                                | -          | -                 | -         | 18,558         |
| 4)                                                          | Retail deposits and deposits from small business customers: (5+6)                                                                                              | 16,74,035                             | 6,10,661   | 6,70,903          | 6,35,613  | 32,84,254      | 16,50,507                             | 5,84,091   | 6,82,144          | 5,65,499  | 31,68,414      |
| 5)                                                          | Stable deposits                                                                                                                                                | 4,87,259                              | 1,79,196   | 2,04,855          | 1,57,758  | 9,77,614       | 4,79,922                              | 1,77,173   | 2,08,836          | 1,46,245  | 9,57,319       |
| 6)                                                          | Less stable deposits                                                                                                                                           | 11,86,776                             | 4,31,465   | 4,66,048          | 4,77,855  | 23,06,640      | 11,70,585                             | 4,06,918   | 4,73,308          | 4,19,254  | 22,11,095      |
| 7)                                                          | Wholesale funding: (8+9)                                                                                                                                       | 2,91,693                              | 3,24,687   | 3,59,172          | 3,55,997  | 7,99,907       | 2,68,703                              | 2,98,092   | 3,23,056          | 3,49,718  | 7,80,955       |
| 8)                                                          | Operational deposits                                                                                                                                           | -                                     | -          | -                 | -         | -              | -                                     | -          | -                 | -         | -              |
| 9)                                                          | Other wholesale funding                                                                                                                                        | 2,91,693                              | 3,24,687   | 3,59,172          | 3,55,997  | 7,99,907       | 2,68,703                              | 2,98,092   | 3,23,056          | 3,49,718  | 7,80,955       |
| 10)                                                         | Other liabilities: (11+12)                                                                                                                                     | 2,07,624                              | 4,41,435   | 50,233            | 4,27,561  | -              | 8,17,472                              | 3,05,820   | 19,070            | 65,572    | -              |
| 11)                                                         | NSFR derivative liabilities                                                                                                                                    |                                       | 437        | 209               | 371       |                |                                       | 784        | 614               | 1,143     |                |
| 12)                                                         | All other liabilities and equity not included in the above categories                                                                                          | 2,07,624                              | 4,40,998   | 50,024            | 4,27,190  | -              | 8,17,472                              | 3,05,036   | 18,456            | 64,429    | -              |
| 13)                                                         | Total ASF (1+4+7+10)                                                                                                                                           |                                       |            |                   |           | 45,95,373      |                                       |            |                   |           | 44,33,515      |
| RSF ITEM                                                    |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 14)                                                         | Total NSFR high-quality liquid assets (HQLA)                                                                                                                   |                                       |            |                   |           | 82,028         |                                       |            |                   |           | 75,544         |
| 15)                                                         | Deposits held at other financial institutions for operational purposes                                                                                         | 11,638                                | 55,148     | -                 | -         | 33,393         | 14,649                                | 50,591     | -                 | -         | 32,620         |
| 16)                                                         | Performing loans and securities: (17+18+19+21+23)                                                                                                              | -                                     | 8,82,818   | 2,70,766          | 8,44,865  | 10,94,797      | -                                     | 7,68,713   | 2,68,599          | 8,51,701  | 10,37,148      |
| 17)                                                         | Performing loans to financial institutions secured by Level 1 HQLA                                                                                             | -                                     | 830        | -                 | -         | 83             | -                                     | 3,912      | -                 | -         | 391            |
| 18)                                                         | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions                                | -                                     | 1,53,267   | -                 | -         | 22,990         | -                                     | 1,52,373   | -                 | -         | 22,856         |
| 19)                                                         | Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which: | -                                     | 7,28,721   | 2,70,766          | 3,63,877  | 7,36,264       | -                                     | 6,12,428   | 2,68,599          | 3,80,872  | 6,88,080       |
| 20)                                                         | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                       | -                                     | -          | -                 | 3,63,877  | 2,36,520       | -                                     | -          | -                 | 3,80,872  | 2,47,567       |
| 21)                                                         | Performing residential mortgages, of which:                                                                                                                    | -                                     | -          | -                 | 3,66,900  | 2,38,485       | -                                     | -          | -                 | 3,71,922  | 2,41,750       |
| 22)                                                         | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                       | -                                     | -          | -                 | 3,66,900  | 2,38,485       | -                                     | -          | -                 | 3,71,922  | 2,41,750       |
| 23)                                                         | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities                                                              | -                                     | -          | -                 | 1,14,088  | 96,975         | -                                     | -          | -                 | 98,907    | 84,071         |
| 24)                                                         | Other assets: (sum of rows 25 to 29)                                                                                                                           | 10,27,316                             | 1,38,840   | 7,672             | 16,57,033 | 26,62,319      | 14,52,059                             | 59,058     | 3,672             | 14,13,692 | 27,56,472      |
| 25)                                                         | Physical traded commodities, including gold                                                                                                                    | 93                                    |            |                   |           | 78             | 39                                    |            |                   |           | 33             |
| 26)                                                         | Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs                                                            |                                       | -          | -                 | -         | 1,092          |                                       | -          | -                 | -         | 1,092          |
| 27)                                                         | NSFR derivative assets                                                                                                                                         |                                       | 67         | -                 | 2,153     | 1,517          |                                       | -          | -                 | 3,073     | 1,922          |
| 28)                                                         | NSFR derivative liabilities before deduction of variation margin posted                                                                                        |                                       | 67         | 54                | 225       | 345            |                                       | 98         | 61                | 345       | 503            |
| 29)                                                         | All other assets not included in the above categories                                                                                                          | 10,27,223                             | 1,38,706   | 7,618             | 16,54,655 | 26,59,287      | 14,52,020                             | 58,960     | 3,611             | 14,10,274 | 27,52,922      |
| 30)                                                         | Off-balance sheet items                                                                                                                                        |                                       | 10,59,558  | -                 | -         | 43,259         |                                       | 10,35,721  | -                 | -         | 42,305         |
| 31)                                                         | Total RSF (14+15+16+24+30)                                                                                                                                     |                                       |            |                   |           | 39,15,796      |                                       |            |                   |           | 39,44,089      |
| 32)                                                         | Net Stable Funding Ratio (%)                                                                                                                                   |                                       |            |                   |           | 117.35%        |                                       |            |                   |           | 112.41%        |

In accordance with RBI guidelines vide circular No. RBI/2017-18/178, DBR.BP.BC.No.106/21.04.098/2017-18 dated 17<sup>th</sup> May 2018, the quarter end observations are presented in the template above. The ASF & RSF items pertaining to deposits and advances respectively have been reclassified to align with the extant instructions pertaining to financial reporting and disclosures.



## Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

Bank's NSFR comes to 121.76% as at the end of Q4 FY 2024-25 and is above the minimum regulatory requirement of 100% stipulated in the RBI guidelines effective from 01<sup>st</sup> October 2021. As on 31<sup>st</sup> March 2025, the position of Available Stable Funding (ASF) stood at ₹48,58,729 Crore and Required Stable Funding (RSF) stood at ₹39,90,382 Crore. The values of total ASF has increased over 31<sup>st</sup> December 2024 while the total RSF has decreased over 31<sup>st</sup> December 2024. ASF is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered for the NSFR. RSF of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as its Off-Balance Sheet (OBS) exposures.

Liquidity Management in the Bank is driven by the Bank's ALM Policy and regulatory guidelines. The Domestic and International Treasuries are reporting to the Asset Liability Management Committee (ALCO). ALCO has been empowered by the Bank's Board to formulate the funding strategies to ensure that the sources of funding are well diversified and is consistent with the operational requirements of the Bank. All major decisions of ALCO are periodically reported to the Banks Board.

The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, which are well diversified. Management is of the view that the Bank has got sufficient liquidity to meet its immediate / likely future requirements.

### ii. Consolidated Net Stable Funding Ratio

The RBI guidelines stipulated the implementation of NSFR at a consolidated level from December 2021 quarter and accordingly, NSFR has been computed at Group level.

The entities covered in the Group NSFR are SBI and Seven Overseas Banking Subsidiaries. Commercial Indo Bank LLC, Moscow, Nepal SBI Bank Ltd., State Bank of India (California), SBI Canada Bank, State Bank of India (Mauritius) Ltd, PT Bank SBI Indonesia and State Bank of India (UK) Ltd.

SBI Group NSFR comes to 122.02% as on 31<sup>st</sup> March 2025 which is above the minimum regulatory requirement of 100%.

Available stable funding (ASF) is defined as the portion of Capital and Liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The Required stable funding (RSF) of a specific group is a function of the liquidity characteristics and residual maturities of the various assets held by that group as well as those of its Off-Balance Sheet (OBS) exposures.

## Quantitative Disclosure

(₹ in Crore)

| NET STABLE FUNDING RATIO (State Bank of India Group) |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------|-------------------|-----------|----------------|---------------------------------------|------------|-------------------|-----------|----------------|
| Statements for the Quarter ending                    |                                                                                                                                                                | 31 <sup>st</sup> March 2025           |            |                   |           |                | 31 <sup>st</sup> December 2024        |            |                   |           |                |
|                                                      |                                                                                                                                                                | Unweighted value by residual maturity |            |                   |           | Weighted value | Unweighted value by residual maturity |            |                   |           | Weighted value |
| NSFR Components                                      |                                                                                                                                                                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                |
| ASF ITEM                                             |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 1)                                                   | Capital: (2+3)                                                                                                                                                 | 4,50,153                              | 4,000      | 2,500             | 91,397    | 5,48,051       | 4,44,518                              | -          | 6,500             | 91,908    | 5,42,926       |
| 2)                                                   | Regulatory capital                                                                                                                                             | 4,31,245                              | 4,000      | 2,500             | 83,514    | 5,21,259       | 4,25,678                              | -          | 6,500             | 83,459    | 5,15,637       |
| 3)                                                   | Other capital instruments                                                                                                                                      | 18,908                                | -          | -                 | 7,883     | 26,791         | 18,840                                | -          | -                 | 8,449     | 27,289         |
| 4)                                                   | Retail deposits and deposits from small business customers: (5+6)                                                                                              | 16,93,446                             | 6,76,278   | 7,54,799          | 6,11,695  | 34,16,628      | 16,90,001                             | 6,79,380   | 6,87,071          | 6,10,689  | 33,53,380      |
| 5)                                                   | Stable deposits                                                                                                                                                | 4,80,159                              | 1,97,891   | 2,24,108          | 1,61,861  | 10,11,042      | 4,96,750                              | 2,00,112   | 2,06,204          | 1,55,994  | 10,06,106      |
| 6)                                                   | Less stable deposits                                                                                                                                           | 12,13,287                             | 4,78,387   | 5,30,691          | 4,49,834  | 24,05,586      | 11,93,251                             | 4,79,269   | 4,80,867          | 4,54,695  | 23,47,274      |
| 7)                                                   | Wholesale funding: (8+9)                                                                                                                                       | 3,85,571                              | 4,65,065   | 3,74,938          | 3,73,720  | 9,56,720       | 2,98,052                              | 3,58,908   | 3,39,525          | 3,92,365  | 8,58,965       |
| 8)                                                   | Less stable non-maturity deposits and term deposits with residual maturity of less than one year provided by retail and small business customers               | 38                                    | -          | -                 | -         | 19             | 33                                    | -          | -                 | -         | 16             |
| 9)                                                   | Other wholesale funding                                                                                                                                        | 3,85,533                              | 4,65,065   | 3,74,938          | 3,73,720  | 9,56,701       | 2,98,019                              | 3,58,908   | 3,39,525          | 3,92,365  | 8,58,949       |
| 10)                                                  | Other liabilities: (11+12)                                                                                                                                     | 7,49,395                              | 2,81,768   | 14,075            | 51,613    | -              | 2,16,785                              | 6,58,256   | 2,17,946          | 2,92,423  | -              |
| 11)                                                  | NSFR derivative liabilities                                                                                                                                    | 38                                    | 119        | 730               | 344       | -              | 33                                    | 657        | 862               | 832       | -              |
| 12)                                                  | All other liabilities and equity not included in the above categories                                                                                          | 7,49,357                              | 2,81,649   | 13,345            | 51,269    | -              | 2,16,753                              | 6,57,598   | 2,17,084          | 2,91,591  | -              |
| 13)                                                  | Total ASF (1+4+7+10)                                                                                                                                           | 32,78,565                             | 14,27,111  | 11,46,311         | 11,28,426 | 49,21,399      | 26,49,356                             | 16,96,544  | 12,51,042         | 13,87,386 | 47,55,272      |
| RSF ITEM                                             |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 14)                                                  | Total NSFR high-quality liquid assets (HQLA)                                                                                                                   | 14,597                                | 3,676      | 1,071             | 3,882     | 84,856         | 14,286                                | 2,748      | 1036              | 3,773     | 84,166         |
| 15)                                                  | Deposits held at other financial institutions for operational purposes                                                                                         | 8,850                                 | 7,201      | 2,444             | -         | 9,248          | 30,409                                | 8,044      | 1,399             | -         | 19,926         |
| 16)                                                  | Performing loans and securities: (17+18+19+21+23)                                                                                                              | 599                                   | 10,64,948  | 4,07,085          | 10,07,833 | 13,27,682      | 523                                   | 10,36,759  | 2,99,746          | 10,68,092 | 13,01,729      |
| 17)                                                  | Performing loans to financial institutions secured by Level 1 HQLA                                                                                             | -                                     | 3,424      | -                 | -         | 342            | -                                     | -          | -                 | -         | -              |
| 18)                                                  | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions                                | 202                                   | 2,60,441   | -                 | -         | 39,097         | 148                                   | 2,57,953   | -                 | -         | 38,715         |
| 19)                                                  | Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which: | 396                                   | 8,01,082   | 4,07,085          | 3,73,676  | 8,47,185       | 375                                   | 7,78,806   | 2,99,746          | 4,21,125  | 8,13,211       |
| 20)                                                  | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                       | -                                     | 171        | -                 | 3,73,603  | 2,42,953       | -                                     | 169        | -                 | 4,21,063  | 2,73,801       |
| 21)                                                  | Performing residential mortgages, of which:                                                                                                                    | -                                     | -          | -                 | 5,12,229  | 3,37,418       | -                                     | -          | -                 | 5,22,333  | 3,43,864       |
| 22)                                                  | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                       | -                                     | -          | -                 | 5,04,173  | 3,32,181       | -                                     | -          | -                 | 5,14,779  | 3,38,954       |
| 23)                                                  | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities                                                              | -                                     | -          | -                 | 1,21,929  | 1,03,639       | -                                     | -          | -                 | 1,24,634  | 1,05,939       |
| 24)                                                  | Other assets: (sum of rows 25 to 29)                                                                                                                           | 11,93,331                             | 33,318     | 1,076             | 15,47,375 | 25,63,524      | 9,75,935                              | 2,14,449   | 1,906             | 16,63,729 | 26,44,112      |
| 25)                                                  | Physical traded commodities, including gold                                                                                                                    | 522                                   | -          | -                 | -         | 443            | 51                                    | -          | -                 | -         | 44             |
| 26)                                                  | Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs                                                            | -                                     | -          | -                 | -         | 1,366          | -                                     | -          | -                 | -         | 1,153          |
| 27)                                                  | NSFR derivative assets                                                                                                                                         | -                                     | 792        | -                 | 1,343     | 1,437          | -                                     | 91         | -                 | 3,113     | 1,696          |
| 28)                                                  | NSFR derivative liabilities before deduction of variation margin posted                                                                                        | -                                     | 112        | 85                | 272       | 469            | -                                     | 162        | 72                | 349       | 583            |
| 29)                                                  | All other assets not included in the above categories                                                                                                          | 11,92,809                             | 32,413     | 991               | 15,45,761 | 25,59,809      | 9,75,883                              | 2,14,197   | 1,834             | 16,60,267 | 26,40,638      |
| 30)                                                  | Off-balance sheet items                                                                                                                                        | -                                     | 11,59,547  | -                 | -         | 47,869         | -                                     | 2,295      | -                 | -         | 46,836         |
| 31)                                                  | Total RSF (14+15+16+24+30)                                                                                                                                     | -                                     | -          | -                 | -         | 40,33,179      | -                                     | -          | -                 | -         | 40,96,769      |
| 32)                                                  | Net Stable Funding Ratio (%)                                                                                                                                   | 122.02%                               |            |                   |           |                | 116.07%                               |            |                   |           |                |

In accordance with RBI guidelines vide circular No. RBI/2017-18/178, DBR.BP.BC.No. 106/21.04.098/2017-18 dated 17-May-2018, the quarter end observations are presented.

Note: The above figures have been compiled based on the management certified figures of overseas banking subsidiaries (which have not been subject to review/audit) and relevant records of State Bank of India (Solo).

# Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

(₹ in Crore)

| NET STABLE FUNDING RATIO (State Bank of India Group) |                                                                                                                                                                |           |                                       |            |                   |           |                            |                                       |            |                   |           |                |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------------------------------|------------|-------------------|-----------|----------------------------|---------------------------------------|------------|-------------------|-----------|----------------|
| Statements for the Quarter ending                    |                                                                                                                                                                |           | 30 <sup>th</sup> September 2024       |            |                   |           | 30 <sup>th</sup> June 2024 |                                       |            |                   |           |                |
| NSFR Components                                      |                                                                                                                                                                |           | Unweighted value by residual maturity |            |                   |           | Weighted value             | Unweighted value by residual maturity |            |                   |           | Weighted value |
|                                                      |                                                                                                                                                                |           | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                            | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                |
| ASF ITEM                                             |                                                                                                                                                                |           |                                       |            |                   |           |                            |                                       |            |                   |           |                |
| 1)                                                   | Capital: (2+3)                                                                                                                                                 | 4,28,728  | 3,814                                 | 4,000      | 94,536            | 5,31,078  | 4,05,905                   | 6,918                                 | -          | 89,505            | 5,02,329  |                |
| 2)                                                   | Regulatory capital                                                                                                                                             | 4,09,847  | 3,814                                 | 4,000      | 86,529            | 5,04,190  | 3,87,347                   | 6,918                                 | -          | 82,341            | 4,76,606  |                |
| 3)                                                   | Other capital instruments                                                                                                                                      | 18 881    | -                                     | -          | 8007              | 26 888    | 18 558                     | -                                     | -          | 7164              | 25 722    |                |
| 4)                                                   | Retail deposits and deposits from small business customers: (5+6)                                                                                              | 16,88,929 | 6,27,030                              | 6,76,105   | 6,36,184          | 33,18,879 | 16,63,332                  | 5,98,604                              | 6,88,109   | 5,66,144          | 32,00,140 |                |
| 5)                                                   | Stable deposits                                                                                                                                                | 4,99,361  | 1,89,117                              | 2,08,113   | 1,58,326          | 10,02,171 | 4,90,102                   | 1,85,977                              | 2,12,667   | 1,46,884          | 9,79,600  |                |
| 6)                                                   | Less stable deposits                                                                                                                                           | 11,89,568 | 4,37,912                              | 4,67,992   | 4,77,858          | 23,16,708 | 11,73,230                  | 4,12,627                              | 4,75,442   | 4,19,260          | 22,20,540 |                |
| 7)                                                   | Wholesale funding: (8+9)                                                                                                                                       | 2,93,292  | 3,29,396                              | 3,61,523   | 3,55,997          | 8,04,237  | 2,70,763                   | 3,01,635                              | 3,25,387   | 3,49,718          | 7,84,922  |                |
| 8)                                                   | Less stable non-maturity deposits and term deposits with residual maturity of less than one year provided by retail and small business customers               | 31        | -                                     | -          | -                 | 15        | 25                         | -                                     | -          | -                 | 12        |                |
| 9)                                                   | Other wholesale funding                                                                                                                                        | 2,93,261  | 3,29,396                              | 3,61,523   | 3,55,997          | 8,04,222  | 2,70,738                   | 3,01,635                              | 3,25,387   | 3,49,718          | 7,84,910  |                |
| 10)                                                  | Other liabilities: (11+12)                                                                                                                                     | 2,11,593  | 4,47,869                              | 50,233     | 4,27,599          | -         | 8,18,753                   | 3,11,071                              | 19,070     | 65,572            | -         |                |
| 11)                                                  | NSFR derivative liabilities                                                                                                                                    | 31        | 437                                   | 209        | 371               | -         | 25                         | 784                                   | 614        | 1,143             | -         |                |
| 12)                                                  | All other liabilities and equity not included in the above categories                                                                                          | 2,11,562  | 4,47,432                              | 50,024     | 4,27,227          | -         | 8,18,728                   | 3,10,287                              | 18,456     | 64,429            | -         |                |
| 13)                                                  | Total ASF (1+4+7+10)                                                                                                                                           | 26,22,542 | 14,08,109                             | 10,91,861  | 15,14,317         | 46,54,194 | 31,58,752                  | 12,18,228                             | 10,32,566  | 10,70,940         | 44,87,391 |                |
| RSF ITEM                                             |                                                                                                                                                                |           |                                       |            |                   |           |                            |                                       |            |                   |           |                |
| 14)                                                  | Total NSFR high-quality liquid assets (HQLA)                                                                                                                   | 14,307    | 2,375                                 | 1,677      | 3,840             | 83,043    | 13,746                     | 2,217                                 | 1,423      | 3,455             | 76,451    |                |
| 15)                                                  | Deposits held at other financial institutions for operational purposes                                                                                         | 11,975    | 55,148                                | 968        | -                 | 34,046    | 15,029                     | 50,591                                | 918        | 495               | 33,516    |                |
| 16)                                                  | Performing loans and securities: (17+18+19+21+23)                                                                                                              | 500       | 8,89,477                              | 2,72,882   | 8,78,632          | 11,24,942 | 1,242                      | 7,75,470                              | 2,69,650   | 8,82,737          | 10,65,296 |                |
| 17)                                                  | Performing loans to financial institutions secured by Level 1 HQLA                                                                                             | -         | 830                                   | -          | -                 | 83        | -                          | 3,912                                 | -          | -                 | 391       |                |
| 18)                                                  | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions                                | 179       | 1,56,465                              | -          | -                 | 23,497    | -                          | 1,55,344                              | -          | -                 | 23,302    |                |
| 19)                                                  | Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which: | 321       | 7,32,183                              | 2,72,882   | 3,66,195          | 7,40,734  | 892                        | 6,16,213                              | 2,69,650   | 3,82,913          | 6,92,288  |                |
| 20)                                                  | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                       | -         | 171                                   | -          | 3,66,121          | 2,38,089  | -                          | 170                                   | -          | 3,82,853          | 2,48,965  |                |
| 21)                                                  | Performing residential mortgages, of which:                                                                                                                    | -         | -                                     | -          | 3,95,811          | 2,61,497  | -                          | -                                     | -          | 3,99,166          | 2,63,459  |                |
| 22)                                                  | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                       | -         | -                                     | -          | 3,87,999          | 2,56,419  | -                          | -                                     | -          | 3,91,927          | 2,58,753  |                |
| 23)                                                  | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities                                                              | -         | -                                     | -          | 1,16,626          | 99,132    | 350                        | -                                     | -          | 1,00,658          | 85,857    |                |
| 24)                                                  | Other assets: (sum of rows 25 to 29)                                                                                                                           | 10,27,726 | 1,39,267                              | 7,791      | 16,65,503         | 26,71,745 | 14,52,412                  | 59,198                                | 3,672      | 14,21,920         | 27,65,194 |                |
| 25)                                                  | Physical traded commodities, including gold                                                                                                                    | 93        | -                                     | -          | -                 | 79        | 39                         | -                                     | -          | -                 | 34        |                |
| 26)                                                  | Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs                                                            | -         | -                                     | -          | -                 | 1,092     | -                          | -                                     | -          | -                 | 1,092     |                |
| 27)                                                  | NSFR derivative assets                                                                                                                                         | -         | 67                                    | -          | 2,153             | 1,579     | -                          | 11                                    | -          | 3,073             | 1,935     |                |
| 28)                                                  | NSFR derivative liabilities before deduction of variation margin posted                                                                                        | -         | 67                                    | 54         | 225               | 345       | -                          | 97                                    | 61         | 345               | 503       |                |
| 29)                                                  | All other assets not included in the above categories                                                                                                          | 10,27,633 | 1,39,133                              | 7,737      | 16,63,125         | 26,68,649 | 14,52,372                  | 59,090                                | 3,611      | 14,18,502         | 27,61,631 |                |
| 30)                                                  | Off-balance sheet items                                                                                                                                        | -         | 10,61,771                             | -          | -                 | 43,563    | -                          | 10,38,006                             | -          | -                 | 42,588    |                |
| 31)                                                  | Total RSF (14+15+16+24+30)                                                                                                                                     | -         | -                                     | -          | -                 | 39,57,339 | -                          | -                                     | -          | -                 | 39,83,045 |                |
| 32)                                                  | Net Stable Funding Ratio (%)                                                                                                                                   | 117.61%   |                                       |            |                   |           | 112.66%                    |                                       |            |                   |           |                |

In accordance with RBI guidelines vide circular No. RBI/2017-18/178, DBR.BP.BC. No. 106/21.04.098/2017-18 dated 17-May-2018, the quarter end observations are presented.

Note: The above figures have been compiled based on the management certified figures of overseas banking subsidiaries (which have not been subject to review/audit) and relevant records of State Bank of India (Solo)

### 18.3. INVESTMENTS

#### a. Composition of investment portfolio as at 31<sup>st</sup> March 2025:

| Particulars<br>FY2024-25                                         | Investments In India     |                                 |                  |                         |                                        |                  | Investments outside India        |                                                                 |                                        | Total<br>investments<br>outside India | Whole Bank<br>Investments |
|------------------------------------------------------------------|--------------------------|---------------------------------|------------------|-------------------------|----------------------------------------|------------------|----------------------------------|-----------------------------------------------------------------|----------------------------------------|---------------------------------------|---------------------------|
|                                                                  | Government<br>Securities | Other<br>Approved<br>Securities | Shares           | Debentures<br>and Bonds | Subsidiaries<br>&/or Joint<br>Ventures | Others           | Total<br>investments<br>in India | Government<br>Securities<br>(including<br>Local<br>Authorities) | Subsidiaries<br>&/or Joint<br>Ventures | Others                                |                           |
| <b>Held to Maturity</b>                                          |                          |                                 |                  |                         |                                        |                  |                                  |                                                                 |                                        |                                       |                           |
| Gross                                                            | 11,51,035.10             | -                               | -                | 53,025.93               | NA                                     | 9,571.88         | 12,13,632.91                     | 3,898.17                                                        | NA                                     | 1,261.80                              | 12,18,792.88              |
| Less: Provision for non-performing investments (NPI)             | -                        | -                               | -                | -                       | NA                                     | -                | -                                | -                                                               | NA                                     | -                                     | -                         |
| <b>Net</b>                                                       | <b>11,51,035.10</b>      | <b>-</b>                        | <b>-</b>         | <b>53,025.93</b>        | <b>NA</b>                              | <b>9,571.88</b>  | <b>12,13,632.91</b>              | <b>3,898.17</b>                                                 | <b>NA</b>                              | <b>1,261.80</b>                       | <b>12,18,792.88</b>       |
| <b>Available for Sale</b>                                        |                          |                                 |                  |                         |                                        |                  |                                  |                                                                 |                                        |                                       |                           |
| Gross                                                            | 1,13,856.67              | -                               | 7,548.47         | 1,04,455.53             | NA                                     | -                | 2,25,861.49                      | 30,440.78                                                       | NA                                     | 32,878.99                             | 2,89,181.26               |
| Less: Provision for depreciation and NPI                         | -                        | -                               | 64.86            | -                       | NA                                     | -                | 64.86                            | -                                                               | NA                                     | -                                     | 64.86                     |
| <b>Net</b>                                                       | <b>1,13,856.67</b>       | <b>-</b>                        | <b>7,483.61</b>  | <b>1,04,455.53</b>      | <b>NA</b>                              | <b>-</b>         | <b>2,25,796.63</b>               | <b>30,440.78</b>                                                | <b>NA</b>                              | <b>32,878.99</b>                      | <b>2,89,116.40</b>        |
| <b>Fair value through P&amp;L (a) HFT</b>                        |                          |                                 |                  |                         |                                        |                  |                                  |                                                                 |                                        |                                       |                           |
| Gross                                                            | 61,784.92                | -                               | 14,161.29        | 20,678.82               | NA                                     | 52,957.39        | 1,49,582.42                      | -                                                               | NA                                     | -                                     | 1,49,582.42               |
| Less: Provision for depreciation and NPI                         | -                        | -                               | 15.58            | -                       | NA                                     | -                | 15.58                            | -                                                               | NA                                     | -                                     | 15.58                     |
| <b>Net</b>                                                       | <b>61,784.92</b>         | <b>-</b>                        | <b>14,145.71</b> | <b>20,678.82</b>        | <b>NA</b>                              | <b>52,957.39</b> | <b>1,49,566.84</b>               | <b>-</b>                                                        | <b>NA</b>                              | <b>-</b>                              | <b>1,49,566.84</b>        |
| <b>Fair value through P&amp;L (b) NON-HFT</b>                    |                          |                                 |                  |                         |                                        |                  |                                  |                                                                 |                                        |                                       |                           |
| Gross                                                            | -                        | -                               | 2,391.68         | 3,317.48                | NA                                     | 8,571.91         | 14,281.07                        | -                                                               | NA                                     | 22.98                                 | 14,304.05                 |
| Less: Provision for depreciation and NPI                         | -                        | -                               | 719.42           | 1,403.10                | NA                                     | 1,128.75         | 3,251.27                         | -                                                               | NA                                     | -                                     | 3,251.27                  |
| <b>Net</b>                                                       | <b>-</b>                 | <b>-</b>                        | <b>1,672.26</b>  | <b>1,914.38</b>         | <b>NA</b>                              | <b>7,443.16</b>  | <b>11,029.80</b>                 | <b>-</b>                                                        | <b>NA</b>                              | <b>22.98</b>                          | <b>11,052.78</b>          |
| <b>Investment in Subsidiaries, Associates and Joint Ventures</b> |                          |                                 |                  |                         |                                        |                  |                                  |                                                                 |                                        |                                       |                           |
| Gross                                                            | -                        | -                               | -                | -                       | 16,414.98                              | -                | 16,414.98                        | -                                                               | 5,680.22                               | -                                     | 22,095.20                 |
| Less: Provision for depreciation and NPI                         | -                        | -                               | -                | -                       | 51.35                                  | -                | 51.35                            | -                                                               | -                                      | -                                     | 51.35                     |
| <b>Net</b>                                                       | <b>-</b>                 | <b>-</b>                        | <b>-</b>         | <b>-</b>                | <b>16,363.63</b>                       | <b>-</b>         | <b>16,363.63</b>                 | <b>-</b>                                                        | <b>5,680.22</b>                        | <b>-</b>                              | <b>22,043.85</b>          |
| <b>Total Investments</b>                                         |                          |                                 |                  |                         |                                        |                  |                                  |                                                                 |                                        |                                       |                           |
| Gross                                                            | 13,26,676.69             | -                               | 24,101.44        | 1,81,477.75             | 16,414.98                              | 71,101.19        | 16,19,772.87                     | 34,338.95                                                       | 5,680.22                               | 34,163.77                             | 16,93,955.81              |
| Less: Provision for non-performing investments (NPI)             | -                        | -                               | 377.21           | 984.74                  | -                                      | -                | 1,361.95                         | -                                                               | -                                      | -                                     | 1,361.95                  |
| Less: Provision for depreciation                                 | -                        | -                               | 2.51             | 283.78                  | 51.35                                  | 1,128.75         | 1,467.21                         | -                                                               | -                                      | -                                     | 1,467.21                  |
| Less: LICRA *                                                    | -                        | -                               | 419.32           | 134.58                  | -                                      | -                | 553.89                           | -                                                               | -                                      | -                                     | 553.89                    |
| <b>Net</b>                                                       | <b>13,26,676.69</b>      | <b>-</b>                        | <b>23,302.40</b> | <b>1,80,074.65</b>      | <b>16,363.63</b>                       | <b>69,972.44</b> | <b>16,16,389.81</b>              | <b>34,338.95</b>                                                | <b>5,680.22</b>                        | <b>34,163.77</b>                      | <b>16,90,572.75</b>       |

(\*LICRA - Liability on Interest Capitalisation on Restructured Accounts)

## Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### Composition of investment portfolio as at 31<sup>st</sup> March 2024

| Particulars<br>FY2023-24                                  | Investments in India     |                                 |                 |                         |                                        |                  | Total<br>investments<br>in India | Investments outside India                                       |                                        |                  |                                       | (₹ in Crore)         |  |
|-----------------------------------------------------------|--------------------------|---------------------------------|-----------------|-------------------------|----------------------------------------|------------------|----------------------------------|-----------------------------------------------------------------|----------------------------------------|------------------|---------------------------------------|----------------------|--|
|                                                           | Government<br>Securities | Other<br>Approved<br>Securities | Shares          | Debentures<br>and Bonds | Subsidiaries<br>&/or Joint<br>Ventures | Others           |                                  | Government<br>Securities<br>(including<br>Local<br>Authorities) | Subsidiaries<br>&/or Joint<br>Ventures | Others           | Total<br>investments<br>outside India | Total<br>Investments |  |
| <b>Held to Maturity</b>                                   |                          |                                 |                 |                         |                                        |                  |                                  |                                                                 |                                        |                  |                                       |                      |  |
| Gross                                                     | 1065,696.16              | -                               | 800             | 16,620.41               | 7,792.63                               | 1,580.00         | 1091,697.20                      | 778.07                                                          | 5,680.22                               | 133.90           | 6,592.19                              | 10,98,289.39         |  |
| Less: Provision for non-performing<br>investments (NPI)   | -                        | -                               | 800             | -                       | 42.87                                  | 112.05           | 162.92                           | -                                                               | -                                      | 6.66             | 6.66                                  | 169.58               |  |
| <b>Net</b>                                                | <b>10,65,696.16</b>      | <b>-</b>                        | <b>-</b>        | <b>16,620.41</b>        | <b>7,749.76</b>                        | <b>1,467.95</b>  | <b>10,91,534.28</b>              | <b>778.07</b>                                                   | <b>5,680.22</b>                        | <b>127.24</b>    | <b>6,585.53</b>                       | <b>10,98,119.81</b>  |  |
| <b>Available for Sale</b>                                 |                          |                                 |                 |                         |                                        |                  |                                  |                                                                 |                                        |                  |                                       |                      |  |
| Gross                                                     | 2,94,170.75              | -                               | 7,994.55        | 1,62,615.06             | 7,810.00                               | 43,921.54        | 5,16,511.90                      | 31,226.31                                                       | -                                      | 29,543.88        | 60,770.19                             | 5,77,282.09          |  |
| Less: Provision for depreciation and<br>NPI               | 8.42                     | -                               | 795.28          | 2,349.66                | -                                      | 6,452.17         | 9,605.53                         | 324.56                                                          | -                                      | 775.11           | 1,099.67                              | 10,705.20            |  |
| <b>Net</b>                                                | <b>2,94,162.33</b>       | <b>-</b>                        | <b>7,199.27</b> | <b>1,60,265.40</b>      | <b>7,810.00</b>                        | <b>37,469.37</b> | <b>5,06,906.37</b>               | <b>30,901.75</b>                                                | <b>-</b>                               | <b>28,768.77</b> | <b>59,670.52</b>                      | <b>5,66,576.89</b>   |  |
| <b>Held for Trading</b>                                   |                          |                                 |                 |                         |                                        |                  |                                  |                                                                 |                                        |                  |                                       |                      |  |
| Gross                                                     | 5,881.70                 | -                               | -               | 761.26                  | -                                      | -                | 6,642.96                         | -                                                               | -                                      | -                | -                                     | 6,642.96             |  |
| Less: Provision for depreciation and<br>NPI               | -                        | -                               | -               | -                       | -                                      | -                | -                                | -                                                               | -                                      | -                | -                                     | -                    |  |
| <b>Net</b>                                                | <b>5,881.70</b>          | <b>-</b>                        | <b>-</b>        | <b>761.26</b>           | <b>-</b>                               | <b>-</b>         | <b>6,642.96</b>                  | <b>-</b>                                                        | <b>-</b>                               | <b>-</b>         | <b>-</b>                              | <b>6,642.96</b>      |  |
| <b>Total Investments</b>                                  |                          |                                 |                 |                         |                                        |                  |                                  |                                                                 |                                        |                  |                                       |                      |  |
| Gross                                                     | 13,65,748.61             | -                               | 8,002.55        | 1,79,996.73             | 15,602.63                              | 45,501.54        | 16,14,852.06                     | 32,004.38                                                       | 5,680.22                               | 29,677.78        | 67,362.38                             | 16,82,214.44         |  |
| Less: Provision for non-performing<br>investments (NPI) * | -                        | -                               | 692.30          | 1,128.52                | -                                      | -                | 1,820.82                         | -                                                               | -                                      | -                | -                                     | 1,820.82             |  |
| Less: Provision for depreciation *                        | 8.42                     | -                               | 110.98          | 1,221.14                | 42.87                                  | 6,564.22         | 7,947.63                         | 324.56                                                          | -                                      | 781.77           | 1,106.33                              | 9,053.96             |  |
| <b>Net</b>                                                | <b>13,65,740.19</b>      | <b>-</b>                        | <b>7,199.27</b> | <b>1,77,647.07</b>      | <b>15,559.76</b>                       | <b>38,937.32</b> | <b>16,05,083.61</b>              | <b>31,679.82</b>                                                | <b>5,680.22</b>                        | <b>28,896.01</b> | <b>66,256.05</b>                      | <b>16,71,339.66</b>  |  |

\* Includes LICRA (Liability on Interest Capitalisation on Restructured Accounts)

**Qualitative disclosures:**

- i. RBI vide Master Direction DOR.MRG.36/21.04.141/2023-24 dated 12<sup>th</sup> September 2023 on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 revised Investment Framework. On 1<sup>st</sup> April 2024, the Bank has reclassified the investment portfolio, as per the directions laid down in Chapter III of these Directions and migrated to the revised framework. The adjustments made in terms of revised framework on the transition are:
  - ₹1,331.38 Crore the net loss (net of tax) on reclassification of portfolio debited to the General Reserve
  - ₹3,869.44 Crore the net gain (net of tax) on reclassification of portfolio credited to the AFS Reserve.
- ii. Securities of a face value of ₹1,48,965.70 Crore (Previous Year ₹1,97,965.23 Crore) are kept as margin with Clearing Corporation of India Limited (CCIL/NSCCL/MCX/NSEIL/BSE towards Securities Settlement.
- iii. On 9<sup>th</sup> August 2024 the Bank divested 2% of its stake in Clearing Corporation of India Limited (CCIL), then associate company. Profit on sale of stake amounting to ₹111.80 Crore is recognised in Profit & Loss Account. Following this divestment, CCIL is no longer an associate, and investment therein has been reclassified as FVTPL - Non-HFT.

**b. Movement of provisions for Depreciation on Investments and Investment Fluctuation Reserve:****i. Movement in provisions held towards depreciation on investments:**

| (₹ in Crore)                                                       |              |               |
|--------------------------------------------------------------------|--------------|---------------|
| Particulars                                                        | Current Year | Previous Year |
| Balance at the beginning of the year                               | 10,320.49    | 16,238.34     |
| Less: Adjustment due to transition to revised Investment Framework | 2,490.61     | -             |
| Add: Provisions made during the year                               | -            | 331.32        |
| Less: Provision utilised during the year                           | -            | -             |
| Less: Foreign Exchange revaluation adjustment                      | -            | 8.64          |
| Less: Write off/Write back of excess provision during the year     | 5000.72      | 6,240.53      |
| Balance at the end of the year                                     | 2,829.16     | 10,320.49     |

(Excluding LICRA)

**ii. Movement of Investment Fluctuation Reserve:**

| (₹ in Crore)                                                                                            |                    |                    |
|---------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| Particulars                                                                                             | Current Year       | Previous Year      |
| Opening Balance                                                                                         | 11,522.30          | 12,271.38          |
| Add: Amount transferred during the year                                                                 | -                  | -                  |
| Less: Drawdown                                                                                          | -                  | 749.08             |
| <b>Closing balance</b>                                                                                  | <b>11,522.30</b>   | <b>11,522.30</b>   |
| <b>Closing balance of investments in AFS &amp; FVTPL-HFT/(HFT in FY23-24) category</b>                  | <b>4,38,763.68</b> | <b>5,76,115.05</b> |
| <b>Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT category</b> | <b>2.63%</b>       | <b>2.00%</b>       |

**c. Sales and transfers to/from HTM Category:**

During the financial year 2024-25, no transfers have been made to/from HTM category.

## Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### d. Non-SLR Investment Portfolio:

#### i. Non-Performing Non-SLR Investments:

(₹ in Crore)

| Particulars                           | Current Year    | Previous Year   |
|---------------------------------------|-----------------|-----------------|
| Opening Balance                       | 1,824.99        | 3,215.69        |
| Additions during the year             | 48.10           | 5.50            |
| Reductions during the year            | 189.49          | 1,396.20        |
| <b>Closing balance</b>                | <b>1,683.60</b> | <b>1,824.99</b> |
| <b>Total provisions held on above</b> | <b>1,681.55</b> | <b>1,820.82</b> |

#### ii. Issuer composition of Non SLR Investments:

The issuer composition of non-SLR investments of the Bank is given below:

(₹ in Crore)

| Sr. No.      | Issuer                                                    | Amount             |                    | Extent of Private Placement |                    | Extent of "Below Investment Grade" Securities* |                 | Extent of "Unrated" Securities* |                 | Extent of "Unlisted" Securities* |               |
|--------------|-----------------------------------------------------------|--------------------|--------------------|-----------------------------|--------------------|------------------------------------------------|-----------------|---------------------------------|-----------------|----------------------------------|---------------|
|              |                                                           | Current Year       | Previous Year      | Current Year                | Previous Year      | Current Year                                   | Previous Year   | Current Year                    | Previous Year   | Current Year                     | Previous Year |
| i            | PSUs                                                      | 45,172.79          | 38,276.77          | 31,726.21                   | 28,154.55          | -                                              | -               | -                               | -               | -                                | -             |
| ii           | Fls                                                       | 1,28,576.00        | 1,12,966.27        | 84,869.32                   | 71,839.06          | -                                              | 100.00          | -                               | -               | 198.00                           | -             |
| iii          | Banks                                                     | 22,179.54          | 27,558.41          | 4,669.01                    | 15,853.58          | -                                              | 23.62           | -                               | 23.62           | -                                | 23.62         |
| iv           | Private Corporates                                        | 1,04,079.63        | 74,073.77          | 22,008.38                   | 25,583.41          | 287.36                                         | 1,991.30        | 22.98                           | 1,966.70        | -                                | 375.00        |
| v            | Subsidiaries / Joint Ventures **                          | 22,095.20          | 21,282.84          | -                           | -                  | -                                              | -               | -                               | -               | -                                | -             |
| vi           | Others                                                    | 45,175.95          | 42,307.77          | 5,546.28                    | 3,723.36           | 1,946.63                                       | 2,605.13        | -                               | 133.67          | -                                | -             |
| vii          | Less: Provision held towards depreciation including LICRA | 3,383.05           | 10,866.36          | -                           | 24.58              | -                                              | 22.09           | -                               | 220.29          | -                                | -             |
| <b>Total</b> |                                                           | <b>3,63,896.06</b> | <b>3,05,599.47</b> | <b>1,48,819.20</b>          | <b>1,45,129.38</b> | <b>2,233.99</b>                                | <b>4,697.96</b> | <b>22.98</b>                    | <b>1,903.70</b> | <b>198.00</b>                    | <b>398.62</b> |

\* Investments in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central and State Government Securities and ARCIL are not segregated under these categories as these are exempt from rating/listing guidelines.

\*\* Investments in Subsidiaries/Joint Ventures have not been segregated into various categories as these are not covered under relevant RBI Guidelines.

**e. Repo Transactions including Liquidity Adjustment Facility (LAF)**

The details of securities sold and purchased under repos and reverse repos including LAF during the year are given below:

(₹ in Crore)

| Particulars                                        | Minimum outstanding during the year |           | Maximum outstanding during the year |             | Daily average outstanding during the year |           | Outstanding as on March 31, 2025 |           |
|----------------------------------------------------|-------------------------------------|-----------|-------------------------------------|-------------|-------------------------------------------|-----------|----------------------------------|-----------|
|                                                    | FV                                  | MV        | FV                                  | MV          | FV                                        | MV**      | FV                               | MV        |
| <b>i) Securities sold under Repo</b>               |                                     |           |                                     |             |                                           |           |                                  |           |
| a) Government securities                           | 3,055.83                            | 3,055.90  | 2,35,710.38                         | 2,39,568.23 | 1,04,992.55                               | 20,506.05 | 19,298.00                        | 19,683.96 |
| b) Corporate debt securities                       | 11,763.23                           | 10,863.60 | 19,555.46                           | 17,674.66   | 15,574.04                                 | 15,471.76 | 17,262.48                        | 15,644.07 |
| c) Any other securities                            | -                                   | -         | 334.78                              | 332.74      | 1.76                                      | 1.74      | -                                | -         |
| <b>ii) Securities purchased under Reverse Repo</b> |                                     |           |                                     |             |                                           |           |                                  |           |
| a) Government securities                           | -                                   | -         | 26,013.06                           | 24,558.09   | 1,723.55                                  | 3,441.04  | 3,420.87                         | 3,456.19  |
| b) Corporate debt securities                       | -                                   | -         | 93.16                               | 93.39       | 3.52                                      | 3.52      | -                                | -         |
| c) Any other securities                            | -                                   | -         | -                                   | -           | -                                         | -         | -                                | -         |

(Note: FV: Face Value; MV: Market Value)

\*\* The average for Government securities has been calculated by taking the average market value of outstanding securities sold under repo/purchased under reverse repo as on 31.03.2025

**f. Government Security Lending (GSL) transactions (in market value terms)**

[Disclosure in terms of RBI's directions on Government Securities Lending-2023 issued vide Circular no: FMRD.DIRD. No.05/14.03.061/2023-2024 dated 27<sup>th</sup> December 2023]

(₹ in Crore)

| Particulars                                              | Minimum outstanding during |               | Maximum outstanding during |               | Daily average outstanding during |               | Total Volume of transactions during |               | Outstanding as on           |                             |
|----------------------------------------------------------|----------------------------|---------------|----------------------------|---------------|----------------------------------|---------------|-------------------------------------|---------------|-----------------------------|-----------------------------|
|                                                          | Current year               | Previous year | Current year               | Previous year | Current year                     | Previous year | Current year                        | Previous year | 31 <sup>st</sup> March 2025 | 31 <sup>st</sup> March 2024 |
| Securities lent through GSL transactions                 | Nil                        | Nil           | Nil                        | Nil           | Nil                              | Nil           | Nil                                 | Nil           | Nil                         | Nil                         |
| Securities borrowed through GSL transactions             | Nil                        | Nil           | Nil                        | Nil           | Nil                              | Nil           | Nil                                 | Nil           | Nil                         | Nil                         |
| Securities placed as collateral under GSL transactions   | Nil                        | Nil           | Nil                        | Nil           | Nil                              | Nil           | Nil                                 | Nil           | Nil                         | Nil                         |
| Securities received as collateral under GSL transactions | Nil                        | Nil           | Nil                        | Nil           | Nil                              | Nil           | Nil                                 | Nil           | Nil                         | Nil                         |



## Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### 18.4 ASSET QUALITY

#### a. Classification of Advances and provisions held for the year ended 31<sup>st</sup> March 2025

(₹ in Crore)

| Particulars                                                  | Standard Advances            | Sub Standard Advances | Doubtful Advances | Loss Advances    | Total Non-Performing Advances | Total               |
|--------------------------------------------------------------|------------------------------|-----------------------|-------------------|------------------|-------------------------------|---------------------|
| <b>Gross Standard Advances and NPAs</b>                      |                              |                       |                   |                  |                               |                     |
| A. Opening Balance                                           | 36,83,258.18                 | 14,996.69             | 41,552.12         | 27,727.52        | 84,276.33                     | 37,67,534.51        |
| B. Add: Additions during the year                            |                              |                       |                   |                  | 20,817.57                     | 4,81,381.93         |
| C. Less: Reductions during the year *                        |                              |                       |                   |                  | 28,213.70                     | 28,213.70           |
| <b>Closing balance (A+B-C)</b>                               | <b>41,43,822.54</b>          | <b>15,829.89</b>      | <b>36,672.73</b>  | <b>24,377.58</b> | <b>76,880.20</b>              | <b>42,20,702.74</b> |
| * Reduction in Gross NPAs due to:                            |                              |                       |                   |                  |                               |                     |
| i) Upgradation                                               |                              |                       |                   |                  | 2,963.26                      | 2,963.26            |
| ii) Recoveries (excluding recoveries from upgraded accounts) |                              |                       |                   |                  | 4,941.73                      | 4,941.73            |
| iii) Technical/Prudential Write Offs                         |                              |                       |                   |                  | -                             | -                   |
| iv) Write-offs other than those under (iii) above            |                              |                       |                   |                  | 20,308.71                     | 20,308.71           |
|                                                              |                              |                       |                   |                  |                               |                     |
| <b>Provisions (excluding Floating Provisions)</b>            |                              |                       |                   |                  |                               |                     |
| Opening balance of provisions held                           | 24,112.57                    | 2,926.47              | 32,379.65         | 27,727.52        | 63,033.64                     | 87,146.21           |
| Add: Fresh provisions made during the year                   |                              |                       |                   |                  | 14,446.47                     | 14,446.47           |
| Less: Excess provision reversed/ Write-off loans             |                              |                       |                   |                  | 20,458.44                     | 20,147.36           |
| <b>Closing balance of provisions held</b>                    | <b>24,423.64<sup>§</sup></b> | <b>3,004.42</b>       | <b>29,639.67</b>  | <b>24,377.58</b> | <b>57,021.67</b>              | <b>81,445.31</b>    |
|                                                              |                              |                       |                   |                  |                               |                     |
| <b>Net NPAs</b>                                              |                              |                       |                   |                  |                               |                     |
| Opening Balance                                              |                              | 12,070.23             | 8,980.85          | -                | 21,051.08                     |                     |
| Add: Fresh additions during the year                         |                              |                       |                   |                  | 6,371.10                      |                     |
| Less: Reductions during the year                             |                              |                       |                   |                  | 7,755.26                      |                     |
| <b>Closing Balance</b>                                       |                              | <b>12,825.48</b>      | <b>6,841.44</b>   | <b>-</b>         | <b>19,666.92<sup>§§</sup></b> |                     |

<sup>§</sup> Excludes additional provision held ₹4,562.00 Crore on Restructured Standard Assets over and above regulatory requirement.

<sup>§§</sup> Floating provision of ₹191.61 Crore is netted to arrive at net NPA.

### Classification of Advances and provisions held for the year ended 31<sup>st</sup> March 2024

(₹ in Crore)

| Particulars                                                  | Standard Advances            | Sub Standard Advances | Doubtful Advances | Loss Advances    | Total Non-Performing Advances | Total               |
|--------------------------------------------------------------|------------------------------|-----------------------|-------------------|------------------|-------------------------------|---------------------|
| <b>Gross Standard Advances and NPAs</b>                      |                              |                       |                   |                  |                               |                     |
| A. Opening Balance                                           | 31,78,314.03                 | 12,665.08             | 51,204.29         | 27,058.41        | 90,927.78                     | 32,69,241.81        |
| B. Add: Additions during the year                            |                              |                       |                   |                  | 20,316.90                     | 5,25,261.06         |
| C. Less: Reductions during the year *                        |                              |                       |                   |                  | 26,968.35                     | 26,968.35           |
| <b>Closing balance (A+B-C)</b>                               | <b>36,83,258.18</b>          | <b>14,996.69</b>      | <b>41,552.12</b>  | <b>27,727.52</b> | <b>84,276.33</b>              | <b>37,67,534.51</b> |
| * Reduction in Gross NPAs due to:                            |                              |                       |                   |                  |                               |                     |
| i) Upgradation                                               |                              |                       |                   |                  | 3,236.50                      | 3,236.50            |
| ii) Recoveries (excluding recoveries from upgraded accounts) |                              |                       |                   |                  | 7,570.48                      | 7,570.48            |
| iii) Technical/Prudential Write Offs                         |                              |                       |                   |                  | -                             | -                   |
| iv) Write-offs other than those under (iii) above            |                              |                       |                   |                  | 16,161.37                     | 16,161.37           |
| <b>Provisions (excluding Floating Provisions)</b>            |                              |                       |                   |                  |                               |                     |
| Opening balance of provisions held                           | 25,673.65                    | 2,551.32              | 39,659.80         | 27,058.41        | 69,269.53                     | 94,943.18           |
| Add: Fresh provisions made during the year                   |                              |                       |                   |                  | 9,469.33                      | 9,469.33            |
| Less: Excess provision reversed/ Write-off loans             |                              |                       |                   |                  | 15,705.22                     | 17,266.32           |
| <b>Closing balance of provisions held</b>                    | <b>24,112.57<sup>s</sup></b> | <b>2,926.45</b>       | <b>32,379.65</b>  | <b>27,727.52</b> | <b>63,033.64</b>              | <b>87,146.19</b>    |
| <b>Net NPAs</b>                                              |                              |                       |                   |                  |                               |                     |
| Opening Balance                                              |                              | 10,113.76             | 11,352.88         | -                | 21,466.64                     |                     |
| Add: Fresh additions during the year                         |                              |                       |                   |                  | 10,847.57                     |                     |
| Less: Reductions during the year                             |                              |                       |                   |                  | 11,263.13                     |                     |
| <b>Closing Balance</b>                                       |                              | <b>12,070.23</b>      | <b>8,980.85</b>   | <b>-</b>         | <b>21,051.08<sup>ss</sup></b> |                     |

<sup>s</sup> Excludes additional provision held ₹6,385.00 Crore on Restructured Standard Assets over and above regulatory requirement.

<sup>ss</sup> Floating provision of ₹191.61 Crore is netted to arrive at net NPA.

### Floating Provisions:

(₹ in Crore)

| Particulars                                     | Current Year  | Previous Year |
|-------------------------------------------------|---------------|---------------|
| Opening Balance                                 | 193.75        | 193.75        |
| Add: Additional provisions made during the year | -             | -             |
| Less: Amount drawn down during the year         | -             | -             |
| <b>Closing balance of floating provisions</b>   | <b>193.75</b> | <b>193.75</b> |

## Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### Technical write-offs and the recoveries made thereon:

| (₹ in Crore)                                                                                     |              |               |
|--------------------------------------------------------------------------------------------------|--------------|---------------|
| Particulars                                                                                      | Current Year | Previous Year |
| Opening balance of Technical/ Prudential written-off accounts                                    | --           | --            |
| Add: Technical/ Prudential write-offs during the year                                            | --           | --            |
| Less: Recoveries made from previously technical/ prudential written-off accounts during the year | --           | --            |
| <b>Closing balance</b>                                                                           | <b>--</b>    | <b>--</b>     |

### Asset Quality Ratios:

| Particulars                                   | Current Year | Previous Year |
|-----------------------------------------------|--------------|---------------|
| Gross NPA to Gross Advances                   | 1.82%        | 2.24%         |
| Net NPA to Net Advances                       | 0.47%        | 0.57%         |
| Provision Coverage Ratio (PCR) excluding AUCA | 74.42%       | 75.02%        |
| Provision Coverage Ratio (PCR) including AUCA | 92.08%       | 91.89%        |

AUCA represents accounts to the extent fully provided and transferred to a separate head called Advance Under Collection Account amounting to ₹1,71,433.33 Crore with a clear purpose of cleaning the Balance Sheet. Of these, AUCA amounting to ₹17,404.32 Crore is more than 10 years old; ₹94,898.77 Crore is more than 5 years but less than 10 years old and AUCA amounting to ₹59,130.24 Crore is less than 5 years old.

### b. Sector-wise Advances and Gross NPAs:

| (₹ in Crore)                                          |                            |                  |                                                  |                            |                  |                                                  |
|-------------------------------------------------------|----------------------------|------------------|--------------------------------------------------|----------------------------|------------------|--------------------------------------------------|
| Sector                                                | Current Year               |                  |                                                  | Previous Year              |                  |                                                  |
|                                                       | Outstanding Total Advances | Gross NPAs       | % of Gross NPAs to Total Advances in that sector | Outstanding Total Advances | Gross NPAs       | % of Gross NPAs to Total Advances in that sector |
| <b>A. Priority Sector</b>                             |                            |                  |                                                  |                            |                  |                                                  |
| 1 Agriculture & allied activities                     | 3,47,983.48                | 29,259.87        | 8.41                                             | 3,02,705.43                | 29,169.55        | 9.64                                             |
| 2 Industry sector eligible as priority sector lending | 1,44,738.35                | 6,350.31         | 4.39                                             | 1,26,230.54                | 5,725.61         | 4.54                                             |
| 3 Services                                            | 2,33,888.72                | 7,789.36         | 3.33                                             | 1,96,081.81                | 5,829.68         | 2.97                                             |
| 4 Personal Loans                                      | 2,07,730.35                | 2,164.74         | 1.04                                             | 2,09,771.10                | 2,270.63         | 1.08                                             |
| <b>Sub-total (A)</b>                                  | <b>9,34,340.90</b>         | <b>45,564.28</b> | <b>4.88</b>                                      | <b>8,34,788.88</b>         | <b>42,995.47</b> | <b>5.15</b>                                      |
| <b>B. Non-Priority Sector</b>                         |                            |                  |                                                  |                            |                  |                                                  |
| 1 Agriculture & allied activities                     | 2,792.46                   | 129.02           | 4.62                                             | 2,472.13                   | 151.19           | 6.12                                             |
| 2 Industry                                            | 8,95,714.81                | 16,363.29        | 1.83                                             | 8,43,110.36                | 23,652.73        | 2.81                                             |
| 3 Services                                            | 10,87,669.43               | 5,834.29         | 0.54                                             | 9,42,305.34                | 10,193.16        | 1.08                                             |
| 4 Personal Loans                                      | 13,00,185.14               | 8,989.32         | 0.69                                             | 11,44,857.80               | 7,283.78         | 0.64                                             |
| <b>Sub-total (B)</b>                                  | <b>32,86,361.84</b>        | <b>31,315.92</b> | <b>0.95</b>                                      | <b>29,32,745.63</b>        | <b>41,280.86</b> | <b>1.41</b>                                      |
| <b>Total (A+B)</b>                                    | <b>42,20,702.74</b>        | <b>76,880.20</b> | <b>1.82</b>                                      | <b>37,67,534.51</b>        | <b>84,276.33</b> | <b>2.24</b>                                      |

**c. Overseas Assets, NPAs and Revenue:**

| Particulars        | (₹ in Crore) |               |
|--------------------|--------------|---------------|
|                    | Current Year | Previous Year |
| Total Assets       | 7,85,727.87  | 6,65,740.67   |
| Total NPAs (Gross) | 1,373.26     | 1,498.04      |
| Total Revenue      | 42,859.06    | 39,709.56     |

**d. Resolution plan and restructuring:**

**i. Restructuring of advances in terms of RBI Circular DBR.No.BP.BC.45/21.04.048/ 2018-19 dated 7<sup>th</sup> June 2019:**

| Classification of Assets subject to Resolution Plan & restructuring | Current Year       |                                 | Previous Year      |                                 |
|---------------------------------------------------------------------|--------------------|---------------------------------|--------------------|---------------------------------|
|                                                                     | Number of Borrower | Amount outstanding (₹ in Crore) | Number of Borrower | Amount outstanding (₹ in Crore) |
| Standard                                                            | 4                  | 1                               | 1                  | 23                              |
| Sub Standard                                                        | 1                  | 1                               | 1                  | 12                              |
| Doubtful                                                            | 1                  | 12                              | 1                  | 271                             |
| <b>Total</b>                                                        | <b>6</b>           | <b>14</b>                       | <b>3</b>           | <b>306</b>                      |

- ii. Acquisition of shares due to conversion of debt to equity during the restructuring process:** Equity shares acquired by way of conversion of debt to equity during the restructuring process did not exceed the prescribed regulatory ceilings/ restriction on capital market exposure, investment in para banking activities & intra group exposure.

**iii. MSME Restructuring:**

As per RBI Circular no. DBR.No.BP.BC.18/21.04.048/2018-19 dated 1<sup>st</sup> January 2019 the details of restructured MSME accounts is as below:

| Particulars                        | Current Year | Previous Year |
|------------------------------------|--------------|---------------|
| No. of accounts restructured       | 26,994       | 50,248        |
| Aggregate outstanding (₹ in Crore) | 4,080.28     | 5,840.92      |

**e. Divergence in asset classification and provisioning:**

Disclosure on divergence in asset classification and provisioning for NPAs is not required with respect to RBI's supervisory process for the year ended 31<sup>st</sup> March 2024, based on the conditions mentioned in RBI Circular No. DOR.ACC.REC. No.74/21.04.018/2022-23 dated 11<sup>th</sup> October 2022.

**f. Disclosure of Transfer of Loan Accounts (SMAs & NPAs) in terms of RBI Circular No. DOR.STR. REC.51/21.04.048/ 2021-22 dated 24<sup>th</sup> September 2021:**

The transfer of loans in secondary market is regular phenomenon in foreign jurisdiction. Further, considering the intent of comprehensive RBI guidelines governing transfer of loan exposure for promoting a robust secondary market in Loans, the disclosure given here contains the domestic secondary market transactions only.

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### Sale of Loans:

- i) The details of the Non-Performing Assets transferred are given below:

| Particulars                                                                                        | Current Year |                          |                      | Previous Year |                          |                      |
|----------------------------------------------------------------------------------------------------|--------------|--------------------------|----------------------|---------------|--------------------------|----------------------|
|                                                                                                    | To ARC's     | To permitted transferees | To other transferees | To ARC's      | To permitted transferees | To other transferees |
| No of accounts                                                                                     | 20           | 22                       | -                    | 24            | 12                       | -                    |
| Aggregate principal outstanding of loans transferred (₹ in Crore)                                  | 7,016.81     | 122.28                   | -                    | 7,541.73      | 181.42                   | -                    |
| Weighted average residual tenor of the loans transferred (Years)                                   | -            | -                        | -                    | 0.82          | -                        | -                    |
| Net book value of loans transferred (at the time of transfer) (₹ in Crore)                         | -            | -                        | -                    | 34.94         | -                        | -                    |
| Aggregate consideration (₹ in Crore)                                                               | 3,969.21     | 45.13                    | -                    | 2,127.88      | 41.64                    | -                    |
| Additional consideration realised in respect of accounts transferred in earlier years (₹ in Crore) | 80.97        | -                        | -                    | 383.29        | -                        | -                    |

- ii) Excess Provision amounting to ₹523.37 Crore (Previous year ₹1,122.18 Crore) on sale of NPAs to Securitisation Company (SC)/Reconstruction Company (RC) has been credited in the Profit & Loss Account. During the year ended 31<sup>st</sup> March 2025, investment made in Security Receipts (SRs) was ₹3,175.28 Crore (Previous year ₹674.18 Crore).
- iii) The Security Receipts except Government Guaranteed SRs are provided for and hence the book value is nil across various categories of Ratings assigned to Security Receipts by the Credit Rating Agencies as at 31<sup>st</sup> March 2025. Book value of the Government guaranteed Security Receipts (backed by NPAs) as on 31<sup>st</sup> March 2025 is ₹3,874.99 Crore.
- iv) The bank has not transferred any Special Mention Account and loan not in default.

### Purchase of Loans:

- v) The Bank has not acquired any stressed loan.
- vi) The Bank has purchased homogeneous assets from NBFCs/HFCs/MFIs which are not in default under the Direct Assignment Route covered under Transfer of Loan Exposure. The Bank purchased secured home loans and secured & unsecured SME and ABU loans.

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

| Particulars                                                     | Current year                                                                                         |                |              |                | Previous year                                                                                        |                |              |                |
|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------|----------------|--------------|----------------|------------------------------------------------------------------------------------------------------|----------------|--------------|----------------|
|                                                                 | From SCB, RRBs, UCBs, SICBs, DCCBs, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs) |                | From ARCs    |                | From SCB, RRBs, UCBs, SICBs, DCCBs, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs) |                | From ARCs    |                |
|                                                                 | Secured Loan                                                                                         | Unsecured Loan | Secured Loan | Unsecured Loan | Secured Loan                                                                                         | Unsecured Loan | Secured Loan | Unsecured Loan |
| Aggregate principal outstanding of loans acquired (₹ in Crore)  | 10,100.65                                                                                            | 12,750.56      | -            | -              | 7,599.31                                                                                             | 13,317.08      | -            | -              |
| Aggregate consideration paid (₹ in Crore)                       | 9,072.53                                                                                             | 11,426.55      | -            | -              | 6,797.64                                                                                             | 11,870.64      | -            | -              |
| Weighted average residual tenor of the loans acquired (years)   | 9.33                                                                                                 | 2.03           | -            | -              | 8.52                                                                                                 | 1.59           | -            | -              |
| weighted average holding period by the originator (years)       | 1.24                                                                                                 | 0.70           | -            | -              | 1.16                                                                                                 | 0.56           | -            | -              |
| Retention of the beneficial economic interest by the originator | 10.17%                                                                                               | 10.38%         | -            | -              | 10.55%                                                                                               | 10.86%         | -            | -              |
| Tangible Security Coverage                                      | 295.52%                                                                                              | Not Applicable | -            | -              | 328.30%                                                                                              | Not Applicable | -            | -              |

- vii) The loans acquired are not rated as these are not corporate borrowers.
- viii) Rating of pool under Direct Assignment is not mandatory, accordingly as per Industry Practice and Bank's Assignment Policy, Loss Estimates are obtained from External Rating Agency.

**g. Fraud Reported and provision made during the year:**

| Particulars                                                                                          | Current Year | Previous Year |
|------------------------------------------------------------------------------------------------------|--------------|---------------|
| Number of Frauds reported                                                                            | 3,437        | 1,586         |
| Amount involved in Fraud (₹ in Crore)                                                                | 8,079.31     | 3,406.87      |
| Amount of provision made for such frauds (₹ in Crore)                                                | 8,079.31     | 3,406.87      |
| Amount of unamortised provision debited from 'Other Reserves' as at the end of the year (₹ in Crore) | Nil          | Nil           |

In addition to above, during the financial year ended on 31<sup>st</sup> March 2025, the Bank reported 10,465 (Previous year 13,158) digital payment frauds amounting to ₹67.52 Crore (Previous year ₹88.91 Crore). These frauds include instances involving compromising credentials like One Time Password, Card Verification Value, password, etc. by customers themselves or where no loss has been caused to the bank.

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### h. Resolution Framework for COVID-19 related Stress:

The details of resolution plan as on 31<sup>st</sup> March 2025, in terms of RBI Circular DOR. No. BP.BC/3/21.04.048/2020-21 dated 6<sup>th</sup> August 2020 (Resolution Framework 1.0) and DOR.STR.REC.11/21.04.048/2021-22 dated 5<sup>th</sup> May 2021 (Resolution Framework 2.0) are:

| Type of borrower  | (₹ in Crore)                                                                                                                                          |                                                                          |                                                       |                                                                 |                                                                                                                                               |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
|                   | (A)<br>Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year | (B)<br>Of (A), aggregate debt that slipped into NPA during the half-year | (C)<br>Of (A) amount written off during the half-year | (D)<br>Of (A) amount paid by the borrowers during the half year | (E)<br>Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year |
| Personal Loans    | 9,864                                                                                                                                                 | 264                                                                      |                                                       | 633                                                             | 8,967                                                                                                                                         |
| Corporate persons | 4,966                                                                                                                                                 | 174                                                                      |                                                       | 836                                                             | 3,956                                                                                                                                         |
| of which, MSMEs   | 4,227                                                                                                                                                 | 174                                                                      |                                                       | 675                                                             | 3,378                                                                                                                                         |
| Others            | -                                                                                                                                                     | -                                                                        |                                                       | -                                                               | -                                                                                                                                             |
| <b>Total</b>      | <b>14,830</b>                                                                                                                                         | <b>438</b>                                                               |                                                       | <b>1,469</b>                                                    | <b>12,923</b>                                                                                                                                 |

## 18.5. EXPOSURES

### a) Exposure to real estate sector:

|           |                                                                                                                                                                                                                                                                                                                                            | (₹ in Crore)        |                    |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|
| Sr. No.   | Particulars                                                                                                                                                                                                                                                                                                                                | Current Year        | Previous Year      |
| <b>I</b>  | <b>Direct exposure</b>                                                                                                                                                                                                                                                                                                                     |                     |                    |
| <b>a)</b> | <b>Residential Mortgages</b>                                                                                                                                                                                                                                                                                                               |                     |                    |
|           | Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.                                                                                                                                                                                                                  | 8,23,363.63         | 7,14,143.23        |
|           | Of which (i) Individual housing loans up to ₹ 35 lacs in Metropolitan centres (Population >= 10 lacs) and ₹ 25 lacs in other centres for purchase/construction of dwelling unit per family.                                                                                                                                                | 2,74,941.85         | 2,76,083.66        |
| <b>b)</b> | <b>Commercial Real Estate</b>                                                                                                                                                                                                                                                                                                              |                     |                    |
|           | Lending secured by mortgages on Commercial Real Estates (office building, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc. Exposures include non-fund based (NFB) limits. | 87,849.66           | 71,840.90          |
| <b>c)</b> | <b>Investments in Mortgage-Backed Securities (MBS) and other securitised exposures:</b>                                                                                                                                                                                                                                                    |                     |                    |
|           | - Residential                                                                                                                                                                                                                                                                                                                              | -                   | -                  |
|           | - Commercial Real Estate                                                                                                                                                                                                                                                                                                                   | -                   | -                  |
| <b>II</b> | <b>Indirect Exposure</b>                                                                                                                                                                                                                                                                                                                   |                     |                    |
|           | Fund based and non-fund-based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)                                                                                                                                                                                                                                | 1,77,490.03         | 1,61,873.44        |
|           | <b>Total Exposure to Real Estate Sector</b>                                                                                                                                                                                                                                                                                                | <b>10,88,703.32</b> | <b>9,47,857.57</b> |

**b) Capital Market:**

(₹ in Crore)

| Sr. No.                                 | Particulars                                                                                                                                                                                                                                                                                                                                            | Current Year     | Previous Year    |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| i)                                      | Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt.                                                                                                                                                             | 22,072.77        | 6,893.84         |
| ii)                                     | Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds.                                                                                                                | 446.44           | 106.66           |
| iii)                                    | Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.                                                                                                                                                                                    | -                | -                |
| iv)                                     | Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances. | 1,381.35         | 642.57           |
| v)                                      | Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers                                                                                                                                                                                                                                       | 24,214.15        | 29,678.27        |
| vi)                                     | Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.                                                                                                                          | -                | -                |
| vii)                                    | Bridge loans to companies against expected equity flows/issues.                                                                                                                                                                                                                                                                                        | -                | -                |
| viii)                                   | Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.                                                                                                                                                                          | -                | -                |
| ix)                                     | Financing to stockbrokers for margin trading.                                                                                                                                                                                                                                                                                                          | -                | -                |
| x)                                      | Exposures to Venture Capital Funds (both registered and unregistered)                                                                                                                                                                                                                                                                                  | 5,522.39         | 4,795.07         |
| <b>Total Exposure to Capital Market</b> |                                                                                                                                                                                                                                                                                                                                                        | <b>53,637.10</b> | <b>42,116.41</b> |

**c) Risk Category wise Country Exposure:**

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table.

(₹ in Crore)

| Risk Category | As at 31 <sup>st</sup> March 2025 |                | As at 31 <sup>st</sup> March 2024 |                |
|---------------|-----------------------------------|----------------|-----------------------------------|----------------|
|               | Net Funded Exposure               | Provision held | Net Funded Exposure               | Provision held |
| Insignificant | 28,335.05                         | Nil            | 2,542.18                          | Nil            |
| Very Low      | 3,16,729.49                       | 288.99         | 2,48,017.45                       | 246.91         |
| Low           | 64,183.60                         | Nil            | 79,789.39                         | Nil            |
| Medium        | 28,227.01                         | Nil            | 32,082.57                         | Nil            |
| High          | 27,898.87                         | Nil            | 24,736.25                         | Nil            |
| Very High     | 7,240.76                          | Nil            | 6,327.27                          | Nil            |
| Restricted    | 10,155.63                         | Nil            | 9,318.34                          | Nil            |
| <b>Total</b>  | <b>4,82,770.41</b>                | <b>288.99</b>  | <b>4,02,813.45</b>                | <b>246.91</b>  |

The country exposure (net funded) of the Bank for any country does not exceed 1% of its total assets except on USA, hence provision for the country exposure on USA has been made.



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### d) Unsecured Advances:

| (₹ in Crore)                                                                                                               |              |               |
|----------------------------------------------------------------------------------------------------------------------------|--------------|---------------|
| Particulars                                                                                                                | Current Year | Previous Year |
| Total Unsecured Advances of the bank                                                                                       | 12,06,046.47 | 11,19,048.81  |
| Of which number of advances outstanding against charge over intangible securities such as rights, licences, authority etc. | Nil          | Nil           |
| The estimated value of such intangible securities given above                                                              | Nil          | Nil           |

### e) Factoring Exposures:

The total factoring exposure as at 31<sup>st</sup> March 2025 is ₹59,068.84 Crore. (Previous Year ₹48,784.96 Crore), this includes an outstanding of ₹22,334.29 Crore (Previous Year: ₹10,214.32 Crore) towards factoring undertaken on Trade Receivables Discounting System (TReDS) in terms of RBI Circular CO.DPSS.POLC.No.S-258/02-01-010/2023-24 dated 7<sup>th</sup> June 2023.

### f) Intra-Group Exposures:

| (₹ in Crore)                                                                               |              |               |
|--------------------------------------------------------------------------------------------|--------------|---------------|
| Particulars                                                                                | Current Year | Previous Year |
| Total amount of intra-group exposures                                                      | 66,888.10    | 64,039.95     |
| Total amount of top 20 intra-group exposures                                               | 66,878.35    | 64,039.95     |
| Percentage of intra-group exposures to total exposure of the bank on borrowers / customers | 1.08%        | 1.15%         |
| Breach of limits on intra-group exposures and regulatory action thereon                    | Nil          | Nil           |

### g) Unhedged Foreign Currency Exposure:

- An amount of ₹252.95 Crore (Previous Year ₹250.67 Crore) was held as on 31<sup>st</sup> March 2025 towards Currency Induced Credit Risk.
- Capital allocated for Currency Induced Credit Risk amounts to ₹574.69 Crore (Previous Year ₹533.46 Crore).

### h) Single Borrower and Group Borrower exposure limits exceeded by the Bank:

The Bank has not exceeded the single borrower exposure & Group Borrower exposure prudential limits as prescribed by RBI.

## 18.6. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES & NPAS

### a) Concentration of Deposits:

| Particulars                                                                       | Current Year | Previous Year |
|-----------------------------------------------------------------------------------|--------------|---------------|
| Total Deposits of twenty largest depositors (₹ in Crore)                          | 2,80,250.98  | 2,33,073.04   |
| Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank | 5.21%        | 4.74%         |

### b) Concentration of Advances:

| Particulars                                                                            | Current Year | Previous Year |
|----------------------------------------------------------------------------------------|--------------|---------------|
| Total Advances to twenty largest borrowers (₹ in Crore)                                | 4,00,080.69  | 4,17,625.39   |
| Percentage of Advances to twenty largest borrowers to Total Gross Advances of the Bank | 9.48%        | 11.08%        |

**c) Concentration of Exposures:**

| Particulars                                                                                                        | Current Year | Previous Year |
|--------------------------------------------------------------------------------------------------------------------|--------------|---------------|
| Total Exposure to twenty largest borrowers/customers (₹ in Crore)                                                  | 5,91,012.00  | 5,72,651.53   |
| Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers | 9.59%        | 10.31%        |

**d) Concentration of NPAs:**

| Particulars                                                                        | Current Year | Previous Year |
|------------------------------------------------------------------------------------|--------------|---------------|
| Total Exposure to top twenty largest NPA exposure to Total Gross NPAs (₹ in Crore) | 22,419.49    | 20,415.45     |
| Percentage of exposures to the twenty largest NPA accounts to total gross NPAs     | 29.16%       | 24.22%        |

## 18.7. DERIVATIVES

**a. Forward Rate Agreements (FRA) / Interest Rate Swaps (IRS):**

| (₹ in Crore)                                                                                           |                           |                 |
|--------------------------------------------------------------------------------------------------------|---------------------------|-----------------|
| Particulars                                                                                            | Current Year              | Previous Year   |
| The notional principal of swap agreements #                                                            | 11,57,701.27 <sup>§</sup> | 7,48,317.86     |
| Losses which would be incurred if counterparties fail to fulfil their obligations under the agreements | 4,009.94                  | 3,399.77        |
| Collateral required by the Bank upon entering swaps                                                    | -                         | -               |
| Concentration of credit risk arising from the swaps                                                    | Not significant           | Not significant |
| The fair value of the swap book                                                                        | (692.83)                  | (2,925.93)      |

# Excludes IRS/FRA amounting to ₹35,818.50 Crore (Previous Year ₹50,517.50 Crore) entered with the Bank's own foreign offices.

§ The notional principal include Bond Forward Rate Agreement notional amount of ₹2,335 Crore. Nature and terms of Interest Rate Swaps as on 31<sup>st</sup> March 2025 are given below:

| (₹ in Crore) |      |                     |           |                                         |
|--------------|------|---------------------|-----------|-----------------------------------------|
| Nature       | Nos  | Notional Principal  | Benchmark | Terms                                   |
| Trading      | 8346 | 4,19,352.03         | MIBOR     | Fixed Receivable Vs Floating Payable    |
| Trading      | 7779 | 3,99,416.91         | MIBOR     | Fixed Payable Vs Floating Receivable    |
| Trading      | 276  | 1,21,834.71         | SOFR      | Fixed Receivable Vs Floating Payable    |
| Trading      | 131  | 54,694.63           | SOFR      | Fixed Payable Vs Floating Receivable    |
| Trading      | 362  | 53,071.04           | MOD MIFOR | Fixed Payable Vs Floating Receivable    |
| Trading      | 322  | 34,689.00           | MOD MIFOR | Fixed Receivable Vs Floating Payable    |
| Hedging      | 30   | 27,785.60           | SOFR      | Fixed Receivable Vs Floating Payable    |
| Hedging      | 53   | 26,374.37           | SOFR      | Fixed Receivable Vs Floating Payable    |
| Trading      | 17   | 9,530.46            | SOFR      | Floating Payable Vs Floating Receivable |
| Trading      | 5    | 5,230.75            | SOFR      | Floating Receivable Vs Fixed Payable    |
| Hedging      | 2    | 2,136.88            | SOFR      | Fixed Payable Vs Floating Receivable    |
| Trading      | 31   | 1,164.41            | MOD MIFOR | Floating Payable Vs Fixed Receivable    |
| Hedging      | 2    | 85.48               | SOFR      | Floating Receivable Vs Fixed Payable    |
|              |      | <b>11,55,366.27</b> |           |                                         |

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### b. Exchange Traded Interest Rate Derivatives:

|         |                                                                                                                    | (₹ in Crore) |               |
|---------|--------------------------------------------------------------------------------------------------------------------|--------------|---------------|
| Sr. No. | Particulars                                                                                                        | Current Year | Previous Year |
| 1       | Notional principal amount of exchange traded interest rate derivatives undertaken during the year                  |              |               |
|         | a. Interest Rate Futures                                                                                           | Nil          | Nil           |
|         | b. 10 Year Government of India Securities                                                                          | 2,479.50     | 15,275.42     |
| 2       | Notional principal amount of exchange traded interest rate derivatives outstanding as on end of the financial year |              |               |
|         | a. Interest Rate Futures                                                                                           | Nil          | Nil           |
|         | b. 10 Year Government of India Securities                                                                          | Nil          | Nil           |
| 3       | Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"      | N.A.         | N.A.          |
| 4       | Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective".          | N.A.         | N.A.          |

### c. Risk Exposure in Derivatives:

#### Qualitative Risk Exposure

- i) The Bank currently deals in over the counter (OTC) interest rate and currency derivatives as also in Interest Rate Futures and Exchange Traded Currency Derivatives.

Interest Rate Derivatives dealt by the Bank are rupee interest rate swaps, foreign currency interest rate swaps and forward rate agreements, cap, floor and collars.

Currency derivatives dealt by the Bank are currency swaps, rupee dollar options and cross-currency options.

The Bank also deals in Non-deliverable Options and Non-deliverable Forwards as permitted by RBI.

The products are offered to the Bank's customers to hedge their exposures and the Bank also enters into derivatives contracts to cover off such exposures. Derivatives are used by the Bank both for trading as well as hedging balance sheet items.

The Bank also runs option position in USD/INR, which is managed through various types of loss limits and Greek limits.

- ii) Derivative transactions carry market risk i.e. the probable loss the Bank may incur as a result of adverse movements in interest rates/exchange rates and credit risk i.e. the probable loss the Bank may incur if the counterparties fail to meet their obligations. The Bank's "Policy for Derivatives" approved by the Board prescribes the market risk parameters (Greek limits, Loss Limits, cut-loss triggers, open position limits, duration, modified duration, PV01 etc.) as well as customer eligibility criteria (credit rating, tenure of relationship, limits and customer appropriateness and suitability of policy (CAS) etc.)
- iii) For entering into derivative transactions, Credit risk is controlled by entering derivative transactions only with counterparties satisfying the criteria prescribed in the Policy. Appropriate limits are set for the counterparties taking into account their ability to honour obligations and the Bank enters into ISDA agreement with each counterparty.
- iv) The Asset Liability Management Committee (ALCO) of the Bank oversees efficient management of these risks. The Bank's Market Risk Management Department (MRMD) identifies, measures, monitors market risk associated with derivative transactions, assists ALCO in controlling and managing these risks and reports compliance with policy prescriptions to the Risk Management Committee of the Board (RMCB) at regular intervals.
- v) The accounting policy for derivatives has been drawn-up in accordance with RBI guidelines, the details of which are presented under Schedule 17: Significant Accounting Policies (SAP).

- vi) Interest Rate Swaps are mainly used for hedging of the assets and liabilities.
- vii) Majority of the swaps were done with First class counterparty banks.
- viii) Derivative transactions comprise of swaps which are disclosed as contingent liabilities. The swaps are categorised as trading or hedging.
- ix) Derivative deals are entered with only those interbank participants for whom counterparty exposure limits are sanctioned. Similarly, derivative deals entered with only those corporates for whom credit exposure limit is sanctioned. Collateral requirements for derivative transactions are laid down as a part of credit sanctions terms on a case-by-case basis. Such collateral requirements are determined based on usual credit appraisal process. The Bank retains the right to terminate transactions as a risk mitigation measure in certain cases.

### Quantitative Risk Exposure

(₹ in Crore)

| Particulars Current Year                                                       | Currency Derivatives |               | Interest Rate Derivatives |               |
|--------------------------------------------------------------------------------|----------------------|---------------|---------------------------|---------------|
|                                                                                | Current Year         | Previous Year | Current Year              | Previous Year |
| <b>I. Derivatives (Notional Principal Amount)</b>                              |                      |               |                           |               |
| (a) For hedging                                                                | 30,514.45            | 12,045.74     | 56,382.32                 | 57,751.90     |
| (b) For trading *                                                              | 16,46,050.26         | 15,56,113.28  | 11,01,318.95              | 6,90,565.96   |
| <b>II. Marked to Market Positions</b>                                          |                      |               |                           |               |
| (a) Asset (+)                                                                  | 11,298.36            | 6,055.27      | 4,009.94                  | 3,399.77      |
| (b) Liability (-)                                                              | 13,552.40            | 9,753.69      | 3,167.69                  | 2,899.14      |
| <b>III. Credit Exposure</b>                                                    | 67,503.07            | 49,567.78     | 13,039.54                 | 9,972.98      |
| <b>IV. Likely impact of one percentage change in interest rate (100* PV01)</b> |                      |               |                           |               |
| (a) on hedging derivatives                                                     | -                    | 6.73          | 1,693.32                  | 1,985.57      |
| (b) on trading derivatives                                                     | (-)1,634.57          | 1,031.40      | 121.71                    | 294.50        |
| <b>V. Maximum and Minimum of 100*PV 01 observed during the year</b>            |                      |               |                           |               |
| (a) on hedging:                                                                |                      |               |                           |               |
| Maximum                                                                        | 6.75                 | 18.51         | 3,079.73                  | 2,053.57      |
| Minimum                                                                        | -                    | 6.71          | 1,132.65                  | 1,407.18      |
| (b) on trading:                                                                |                      |               |                           |               |
| Maximum                                                                        | (-)1,010.85          | 464.33        | 156.40                    | 186.44        |
| Minimum                                                                        | (-)1,658.86          | 1,035.25      | (-)561.38                 | 417.03        |

- Excludes swaps amounting to nil (Previous Year ₹1,831.10 Crore) entered with the Bank's own foreign offices.

- IRS/FRA amounting to ₹35,818.50 Crore (Previous Year ₹ 50,517.50 Crore) entered with the Bank's own foreign offices are excluded.

\* Excludes Currency Derivatives of ₹3,167.27 Crore (Previous Year ₹ 2,835.68 Crore) and NDF ₹ 3,470.20 Crore (Previous Year ₹5,895.67 Crore) done with the Bank's Foreign offices.

- The outstanding notional amount of derivatives done between Global Markets Unit and International Banking Group as on 31<sup>st</sup> March 2025 amounted to ₹35,818.50 Crore (Previous Year ₹ 50,517.50 Crore) and the derivatives done between SBI Foreign Offices as on 31<sup>st</sup> March 2025 amounted to nil. (Previous Year ₹ 1,831.10 Crore).
- The outstanding notional amount of interest rate derivatives which are not marked-to-market (MTM) where the underlying Assets/Liabilities are not marked to market as on 31<sup>st</sup> March 2025 amounted to nil. (Previous Year ₹ 85,426.07 Crore).

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### d. Credit Default Swaps (CDS):

| Sr. No.     | Particulars                                                                                                              | As Protection Buyer | As Protection Seller                                                                                                          |
|-------------|--------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>i.</b>   | <b>Number of Transactions during the year:</b>                                                                           |                     |                                                                                                                               |
| -           | transactions that are physically settled                                                                                 | Nil                 | Nil                                                                                                                           |
| -           | Cash settled                                                                                                             | Nil                 | 1                                                                                                                             |
| <b>ii.</b>  | <b>Amount of protection bought/sold during the year</b>                                                                  |                     |                                                                                                                               |
| -           | transactions that are physically settled                                                                                 | Nil                 | Nil                                                                                                                           |
| -           | Cash settled                                                                                                             | Nil                 | ₹25.00 Crore                                                                                                                  |
| <b>iii.</b> | <b>Number of transactions where credit event payment was received/made during the year:</b>                              |                     |                                                                                                                               |
| -           | Pertaining to current year's transactions                                                                                | Nil                 | Nil                                                                                                                           |
| -           | Pertaining to previous year's transactions                                                                               | Nil                 | Nil                                                                                                                           |
| <b>iv.</b>  | <b>Net income/profit (expenditure/loss) in respect of CDS transactions during year to date:</b>                          |                     |                                                                                                                               |
| -           | Premium paid/received                                                                                                    | Nil                 | Nil                                                                                                                           |
| -           | Credit event payments made (net of the value of assets realised)/ received (net of the value of deliverable obligations) | Nil                 | Upfront fee paid ₹0.12 Crore on 4 <sup>th</sup> April 2024 and unwind fee received ₹0.13 Crore on 12 <sup>th</sup> April 2024 |
| <b>v.</b>   | <b>Outstanding transactions as on 31<sup>st</sup> March 2025</b>                                                         |                     |                                                                                                                               |
| -           | Number of transactions                                                                                                   | Nil                 | Nil                                                                                                                           |
| -           | Amount of protection                                                                                                     | Nil                 | Nil                                                                                                                           |
| <b>vi.</b>  | <b>Highest level of outstanding transactions during the year:</b>                                                        |                     |                                                                                                                               |
| -           | Number of transactions (on 4 <sup>th</sup> April 2024)                                                                   | Nil                 | 1                                                                                                                             |
| -           | Amount of protection (on 4 <sup>th</sup> April 2024)                                                                     | Nil                 | ₹25.00 Crore                                                                                                                  |

During the previous financial year 2023-2024, no CDS transaction took place.

### 18.8. DISCLOSURE RELATING TO SECURITISATION

The bank has not securitised any standard assets.

### 18.9. OFF-BALANCE SHEET SPVS SPONSORED:

The Bank has not floated any off Balance Sheet SPV.

**18.10. UNCLAIMED LIABILITIES TRANSFERRED TO DEPOSITOR EDUCATION AND AWARENESS FUND**

(₹ in Crore)

| Particulars                                        | Current Year     | Previous Year    |
|----------------------------------------------------|------------------|------------------|
| Opening balance of amounts transferred to DEA Fund | 14,423.47        | 8,952.21         |
| Add: Amounts transferred to DEA Fund               | 4,622.60         | 6,038.85         |
| Less: Amounts reimbursed by DEA Fund               | 376.17           | 567.59           |
| Closing balance of amounts transferred to DEA Fund | <b>18,669.90</b> | <b>14,423.47</b> |

The closing balance of the amount transferred to Depositors Education and Awareness Fund as disclosed above, is included under 'Schedule 12- Contingent Liabilities - Other items for which the bank is contingently liable'.

**18.11. DISCLOSURE OF COMPLAINTS****a) Summary information of complaints received by the bank from customers and from the Office of Ombudsman on complaints and grievance redress:**

| Sr. No.                                                                                   | Particulars                                                                                                 | Current year        | Previous year       |
|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Complaints received by the bank from its customers:</b>                                |                                                                                                             |                     |                     |
| 1                                                                                         | Number of complaints pending at beginning of the year                                                       | 1,31,423            | 1,35,112            |
| 2                                                                                         | Number of complaints received during the year                                                               | 28,50,520           | 32,33,561           |
| 3                                                                                         | Number of complaints disposed during the year                                                               | 28,61,823           | 32,37,250           |
| 3.1                                                                                       | Of which, number of complaints rejected by the bank                                                         | 92,586              | 69,877              |
| 4                                                                                         | Number of complaints pending at the end of the year                                                         | 1,20,120            | 1,31,423            |
| <b><sup>§</sup>Maintainable complaints received by the bank from Office of Ombudsman:</b> |                                                                                                             |                     |                     |
| 5                                                                                         | Number of maintainable complaints received by the bank from Office of Ombudsman                             | 27,338 <sup>®</sup> | 31,719 <sup>#</sup> |
| 5.1                                                                                       | Of 5, number of complaints resolved in favor of the bank by Office of Ombudsman                             | 10,169              | 12,681              |
| 5.2                                                                                       | Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman | 14,448              | 17,456              |
| 5.3                                                                                       | Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank         | 1                   | 6                   |
| 6                                                                                         | Number of Awards unimplemented within the stipulated time (other than those appealed)                       | Nil                 | Nil                 |

<sup>®</sup> Including complaints which were pending as at the end of the FY 2023-24 and carried over to FY 2024-25.

<sup>#</sup> Including complaints which were pending as at the end of the FY 2022-23 and carried over to FY 2023-24.

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.

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### b) Top five grounds of complaints received by the bank from customers:

#### Current Year:

| Grounds of complaints, (i.e. complaints relating to) | Number of complaints pending at the beginning of the year | Number of complaints received during the year | % increase/decrease in the number of complaints received over the previous year | Number of complaints pending at the end of the year | Of 5, number of complaints pending beyond 30 days |
|------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------|---------------------------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------|
| 1                                                    | 2                                                         | 3                                             | 4                                                                               | 5                                                   | 6                                                 |
| Internet Banking/Mobile / Electronic Banking         | 1,01,483                                                  | 17,57,070                                     | (-)19.79                                                                        | 92,927                                              | 14,672                                            |
| ATM/ Debit Card                                      | 25,680                                                    | 7,06,788                                      | (-)26.17                                                                        | 21,696                                              | 96                                                |
| Operation of accounts                                | 474                                                       | 44,631                                        | 141.88                                                                          | 479                                                 | 0                                                 |
| Advances                                             | 146                                                       | 15,539                                        | 120.35                                                                          | 214                                                 | 0                                                 |
| Levy of Charges/Excessive Charges                    | 144                                                       | 11,694                                        | 69.33                                                                           | 176                                                 | 0                                                 |
| Others                                               | 3,496                                                     | 3,14,798                                      | 490.08                                                                          | 4,628                                               | 0                                                 |
| <b>Total</b>                                         | <b>1,31,423</b>                                           | <b>28,50,520</b>                              | <b>(-)11.85</b>                                                                 | <b>1,20,120</b>                                     | <b>14,768</b>                                     |

#### Previous Year:

| Grounds of complaints, (i.e. complaints relating to) | Number of complaints pending at the beginning of the year | Number of complaints received during the year | % increase/decrease in the number of complaints received over the previous year | Number of complaints pending at the end of the year | Of 5, number of complaints pending beyond 30 days |
|------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------|---------------------------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------|
| 1                                                    | 2                                                         | 3                                             | 4                                                                               | 5                                                   | 6                                                 |
| Internet Banking/Mobile / Electronic Banking         | 83,450                                                    | 21,90,461                                     | 4.39                                                                            | 1,01,483                                            | 37,233                                            |
| ATM/ Debit Card                                      | 49,435                                                    | 9,57,342                                      | (-)35.95                                                                        | 25,680                                              | 5,240                                             |
| Operation of accounts                                | 92                                                        | 18,452                                        | (-)21.03                                                                        | 474                                                 | 0                                                 |
| Advances                                             | 7                                                         | 7,052                                         | (-)52.95                                                                        | 146                                                 | 0                                                 |
| Levy of Charges/Excessive Charges                    | 38                                                        | 6,906                                         | (-)77.62                                                                        | 144                                                 | 0                                                 |
| Others                                               | 2,090                                                     | 53,348                                        | (-)72.41                                                                        | 3,496                                               | 0                                                 |
| <b>Total</b>                                         | <b>1,35,112</b>                                           | <b>32,33,561</b>                              | <b>(-)16.30</b>                                                                 | <b>1,31,423</b>                                     | <b>42,473</b>                                     |

### c) Disclosure of “First Resort Complaints received and action taken” in terms of Policy related Action Point in Annual Conference of the RBI Ombudsmen’s October 2022:

Under clause 10 of the Reserve Bank Integrated Ombudsman Schemes-2021 (RB-IOS), the complaints not related to deficiency of service rejected by Banking Ombudsman as non-maintainable advising the complainants to approach the concerned Regulated Entity directly are called as First Resort Complaints (FRCs).

During the financial year 2024-25, total of 23,604 FRCs were received by RB-IOs.

To ensure reduction in FRCs the Bank has taken initiatives as under:

- The salient features of RB-IOS-2021 have been displayed at all the branches and digitally displayed on ATMs, Bank’s website, Internet Banking page & YONO app.
- Bank is giving wide publicity for increasing customer awareness so that customer may approach the RBI Ombudsman, wherever they are not satisfied with the resolutions provided by the Bank.

### 18.12. DISCLOSURE OF PENALTIES IMPOSED BY THE RESERVE BANK OF INDIA

- a) The Prudential Authority (PA), South African Reserve Bank (SARB), imposed administrative sanctions including financial penalty of R10 Million (the immediately payable portion of the total financial penalty of R5.50 Million, and the amount of R4.50 Million suspended for 36 months) on State Bank of India, South Africa Branch (SBISA) in terms of Section 45C of the Financial Intelligence Centre Act 38 of 2001, for not complying with certain provisions of the Financial Intelligence Centre Act (FIC Act) as brought out in the AML/CFT inspection. On final decision of the Appeal Board, SBISA has made the payment of R5.50 Million (₹2.48 Crore) on 23<sup>rd</sup> May 2024. The penalty of R4.50 Million suspended for 36 months will be paid within 36 months from the date of penalty advised, i.e. before 13<sup>th</sup> July 2026.

(R denote South African Rand)

- b) During the year ended 31<sup>st</sup> March 2025, no penalty was levied by the Reserve Bank of India (RBI) in exercise of the powers vested under the provisions of section 47A(1)(c) read with sections 46(4)(i) and 51(1) of the Banking Regulation Act, 1949.
- c) No penalty has been levied on the Bank for contravention under the provisions of Payment and Settlement Systems Act, 2007.
- d) No penalty has been levied on the Bank for contravention under the provisions of Government Securities Act, 2006 (for bouncing SGL).
- e) There is no default in reverse repo transaction.

### 18.13. OTHER DISCLOSURES

#### a) Business Ratios:

| Sr.   | Particulars                                                 | Current Year | Previous Year |
|-------|-------------------------------------------------------------|--------------|---------------|
| i.    | Interest Income as a percentage to Working Funds            | 7.09%        | 7.07%         |
| ii.   | Non-interest income as a percentage to Working Funds        | 0.95%        | 0.88%         |
| iii.  | Cost of Deposits (Domestic)                                 | 5.11%        | 4.81%         |
| iv.   | Net Interest Margin                                         | 3.09%        | 3.28%         |
| v.    | Operating Profit as a percentage to Working Funds           | 1.69%        | 1.48%         |
| vi.   | Return on Assets (on net-asset basis)                       | 1.10%        | 1.04%         |
| vii.  | Business (Deposits plus advances) per employee (₹ in Crore) | 37.37        | 34.10         |
| viii. | Profit per employee (₹ in Lakh)                             | 29.91        | 26.20         |

#### b) Bancassurance Business:

Fees/brokerage earned in respect of the insurance broking, agency and bancassurance business.

| (₹ in Crore)                        |                 |                 |
|-------------------------------------|-----------------|-----------------|
| Name of Company                     | Current Year    | Previous Year   |
| SBI Life Insurance Co. Ltd.         | 2,355.89        | 2,232.16        |
| SBI General Insurance Co. Ltd.      | 406.91          | 436.04          |
| Aviva                               | 3.57            | 1.46            |
| NTUC and Manulife Financial Limited | 0.35            | 0.33            |
| Tokio Marine and ACE                | 0.03            | 0.29            |
| Unit Trust and LIC                  | 0.01            | 0.13            |
| IFAST                               | 0.07            | 0.07            |
| <b>TOTAL</b>                        | <b>2,766.83</b> | <b>2,670.48</b> |



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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### c) Marketing and distribution:

The details of fees /remuneration received in respect of the marketing and distribution function (excluding bancassurance business) are as follows:

| (₹ in Crore)                            |                 |                 |
|-----------------------------------------|-----------------|-----------------|
| Name of the Company                     | Current Year    | Previous Year   |
| SBI Mutual Fund                         | 1,453.72        | 915.55          |
| SBI Cards and Payment Services Limited  | 222.14          | 231.24          |
| National Pension System                 | 22.94           | 19.80           |
| Other Mutual Funds                      | 62.20           | 41.22           |
| SBICAP Securities Ltd.                  | 8.44            | 7.12            |
| Others (PMS, Bonds, Corporate FDs etc.) | 13.63           | 7.41            |
| <b>Total</b>                            | <b>1,783.07</b> | <b>1,222.34</b> |

### d) Priority Sector Lending Certificate (PSLC):

The Bank has purchased/sold the following Priority Sector Lending Certificates during the year:

| (₹ in Crore)                    |                    |                  |                    |                  |
|---------------------------------|--------------------|------------------|--------------------|------------------|
| Category                        | Current Year       |                  | Previous Year      |                  |
|                                 | Purchase           | Sell             | Purchase           | Sell             |
| PSLC Micro Enterprises          | 85,732.50          | -                | 42,750.00          | -                |
| PSLC Agriculture                | -                  | 11,000.00        | 8,660.00           | 15,510.00        |
| PSLC General                    | 35,000.00          | -                | 47,145.25          | -                |
| PSLC Small and Marginal Farmers | 89,098.25          | -                | 99,573.75          | -                |
| <b>Total</b>                    | <b>2,09,830.75</b> | <b>11,000.00</b> | <b>1,98,129.00</b> | <b>15,510.00</b> |

### e) Provisions and Contingencies:

Break up of "Provisions and Contingencies" shown under head Expenditure in Profit and loss account as follows:

| (₹ in Crore)                                |                  |                  |
|---------------------------------------------|------------------|------------------|
| Provisions debited to Profit & Loss Account | Current Year     | Previous Year    |
| Provision for Taxation                      |                  |                  |
| - Current Tax                               | 24,843.75        | 22,871.63        |
| - Deferred Tax Asset created                | (-)473.11        | (-)2,165.29      |
| Provision for Depreciation on Investments   | 514.28           | (-)593.18        |
| Provision on Non-Performing Assets          | 14,446.47        | 9,469.33         |
| Provision on Restructured Assets            | (-)28.14         | 48.30            |
| Provision on Standard Assets                | 302.76           | (-)1,340.87      |
| Other Provisions                            | 72.53            | (-)2,669.36      |
| <b>Total</b>                                | <b>39,678.54</b> | <b>25,620.56</b> |

**f) Implementation of IFRS converged Indian Accounting Standards (Ind AS):**

RBI vide Circular DBR.BP.BC.No.29/21.07.001/2018-19 dated 22<sup>nd</sup> March 2019 deferred implementation of Ind AS till further notice. However, RBI requires all banks to submit Proforma Ind AS financial statements every half year. Accordingly, the Bank prepares and submits to RBI Proforma Ind AS financial statements every half year after approval of Steering Committee headed by MD (R, C & SARG) formed for monitoring of implementation of Ind AS in the Bank.

**g) Payment of DICGC Insurance Premium:**

| (₹ in Crore)                        |              |               |
|-------------------------------------|--------------|---------------|
| Particulars                         | Current Year | Previous Year |
| Payment of DICGC Insurance Premium  | 5,415.67     | 4,899.79      |
| Arrears in payment of DICGC premium | -            | -             |

**h) Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of bank:**

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

**i) Letter of Comfort (LOC):**

- During the current financial year, the Bank has issued Letter of Comfort of ₹1.11 Crore plus applicable interest and charges to MUDRA Ltd. for Ellaquai Dehati Bank on 24<sup>th</sup> September 2024 for a period of three years from the date of issue till the issuance of no dues certificate by MUDRA Ltd. towards the repayment of refinance liabilities whichever is later.
- Apart from above, the cumulative position of the LOCs issued by the Bank for subsidiaries as on 31<sup>st</sup> March 2025, is as follows:
  - i. The Bank has given Letter of Comfort to the Governor, Bank of Indonesia on 12<sup>th</sup> December 2005 for its subsidiary Bank SBI Indonesia, a foreign Subsidiary. Letter of Comfort has been given to the Minister of Finance, Ottawa, Ontario, Canada on 6<sup>th</sup> August 1981 for SBI Canada Bank, a foreign Subsidiary. The consolidated amount for this letter of comfort is ₹2,136.88 Crore (USD 250 million) as at 31<sup>st</sup> March, 2025. (Previous year ₹2,085.13 Crore).
  - ii. Bank has issued letter of Comfort of ₹0.71 Crore plus applicable interest and charges to MUDRA Ltd. for Nagaland Rural Bank on 22<sup>nd</sup> November 2023 for a period of three years from the date of issue till the issuance of no dues certificate by MUDRA Ltd. towards the repayment of refinance liabilities whichever is later.

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### j) Use of funds raised from green deposits:

The details of green deposits raised during the year and the use of funds raised till date are as follows:

| (₹ in Crore)                                                                                         |               |                 |                                                     |
|------------------------------------------------------------------------------------------------------|---------------|-----------------|-----------------------------------------------------|
| Particulars                                                                                          | Current Year  | Previous Year   | Cumulative*<br>As on 31 <sup>st</sup> March<br>2025 |
| <b>(A) Total green deposits raised during the year</b>                                               | <b>105.92</b> | <b>22.39</b>    | <b>128.31</b>                                       |
| 1) Renewable Energy                                                                                  | --            | --              | --                                                  |
| 2) Energy Efficiency                                                                                 | --            | --              | --                                                  |
| 3) <u>Clean Transportation</u> : Green Car (Electric Vehicles)                                       | 105.92        | --              | 128.31                                              |
| 4) Climate Change Adaptation                                                                         | --            | --              | --                                                  |
| 5) Sustainable Water and Waste Management                                                            | --            | --              | --                                                  |
| 6) Pollution Prevention and Control                                                                  | --            | --              | --                                                  |
| 7) Green Buildings                                                                                   | --            | --              | --                                                  |
| 8) Sustainable Management of Living Natural Resources and Land Use                                   | --            | --              | --                                                  |
| 9) Terrestrial and Aquatic Biodiversity Conservation                                                 | --            | --              | --                                                  |
| <b>(B) Total Green Deposit funds allocated (B = Sum of 1 to 9)</b>                                   | <b>105.92</b> | <b>--</b>       | <b>128.31</b>                                       |
| <b>(C) Amount of Green Deposit funds not allocated (C = A - B)</b>                                   | <b>--</b>     | <b>22.39</b>    | <b>--</b>                                           |
| <b>(D) Green deposit proceeds pending their allocation to the eligible green activities/projects</b> | <b>--</b>     | <b>22.39 **</b> | <b>--</b>                                           |

\*The cumulative figures denote the cumulative amount since 11th January 2024 being the date from which Bank started raising green deposits.

\*\* As on 31<sup>st</sup> March 2024, ₹22.39 Crore pending for allocation to the eligible green finance were temporarily deployed in liquid instruments as specified under the Green Financing Framework. These funds were utilised for Green Car (Electric Vehicles) Loan portfolio in FY2024-25.

## 18.14. DISCLOSURE REQUIREMENTS AS PER THE ACCOUNTING STANDARDS

### a. Accounting Standard 5: Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies:

During the year, there were no material prior period income / expenditure items.

There is no change in the Significant Accounting Policies adopted during the year ended 31<sup>st</sup> March 2025 as compared to those followed in the previous financial year ended 31<sup>st</sup> March 2024 except for the following:

- i. The changes required on account of **RBI Master Direction RBI/DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24 dated 12<sup>th</sup> September 2023**, applicable from 1<sup>st</sup> April 2024 as stated below:

- **Policies on classification and valuation of investments:**

With effect from 1<sup>st</sup> April 2024 the Bank adopted the revised framework of classification and valuation of investments issued by RBI vide Master Direction No. RBI/DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24 on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 dated 12<sup>th</sup> September 2023. The disclosure of transition impact in terms of Para 43 of the RBI Circular is disclosed under Para 18.3 Investments of Notes to Accounts.

- **Method of recording the transactions in HTM securities:**

As per the extant Policy, the premium paid on acquisition of HTM category Investments was amortised over the term to maturity on a constant yield basis. In terms of new investment framework, the Bank has switched over to Weighted Average Carrying Cost (WACC) from First in First Out (FIFO) method of recording transactions uniformly across all categories of investments and amortisation of both, premium and discount on acquisition.

• **Method of amortisation for Floating Rate Bonds:**

The revised framework on Investment allow amortisation of premium and discount across all categories of investments. To comply with these amortisation norms, the Bank has now switched over to Straight Line Method from Constant Yield Method.

The impact of the revised framework for the period prior to the transition date is not ascertainable. As a result, the income/ profit or loss from investments for the year ended on 31<sup>st</sup> March 2025 are not comparable to figures reported for the year ended on 31<sup>st</sup> March 2024.

- ii. As per RBI Circular no. RBI/DOR/2024-25/135 DOR.STR.REC.72/ 21.04.048/2024-25 dated 29<sup>th</sup> March 2025, on guidelines for Government-guaranteed Security Receipts, banks are permitted to reverse any excess provision to the Profit and Loss Account in the year of transfer of a loan to an Asset Reconstruction Company (ARC) for a value higher than the Net Book Value (NBV), provided the consideration consists solely of cash and SRs guaranteed by the Government of India. Such SRs shall be valued periodically by reckoning the Net Asset Value (NAV) declared by the ARC based on the recovery ratings received for such instruments.

The Bank has carried SRs guaranteed by Government of India at face value or Net Asset Value (NAV) declared by the ARC, whichever is lower by crediting to the Profit and Loss Account ₹3,874.99 Crore, being the lower of face value or NAV pertaining to 19 Trust accounts managed by National Asset Reconstruction Company Ltd. (NARCL).

**b. Accounting Standard – 15 “Employee Benefits”:**

The employee benefits listed above are in respect of the employees in India. The employees of the foreign operations are not covered in the above schemes.

**i. Defined Benefit Plans**

**1. Employee’s Pension Plan and Gratuity Plan**

The following table sets out the status of the Defined Benefit Pension Plan and Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the Bank: -

| Particulars                                                          | Pension Plan |               | Gratuity Plan |               |
|----------------------------------------------------------------------|--------------|---------------|---------------|---------------|
|                                                                      | Current Year | Previous Year | Current Year  | Previous Year |
| <b>Change in the present value of the defined benefit obligation</b> |              |               |               |               |
| Opening defined benefit obligation as at 1 <sup>st</sup> April       | 1,90,944.96  | 1,56,966.26   | 12,833.94     | 12,390.48     |
| Current Service Cost                                                 | 1,109.80     | 956.93        | 490.61        | 471.41        |
| Interest Cost                                                        | 13,805.32    | 11,537.02     | 925.33        | 926.81        |
| Past Service Cost (Vested Benefit)                                   | -            | 7,100.00      | -             | -             |
| Actuarial (Gains)/ Losses                                            | 11,883.95    | 26,225.01     | 489.79        | 570.84        |
| Benefits paid                                                        | (6,083.50)   | (5,165.42)    | (1,363.06)    | (1,525.60)    |
| Direct Payment by Bank                                               | (7,189.74)   | (6,674.84)    | -             | -             |
| Closing defined benefit obligation as at 31 <sup>st</sup> March      | 2,04,470.79  | 1,90,944.96   | 13,376.61     | 12,833.94     |
| <b>Change in Plan Assets</b>                                         |              |               |               |               |
| Opening fair value of Plan Assets as at 1 <sup>st</sup> April        | 1,51,643.97  | 1,33,148.54   | 12,139.72     | 11,065.66     |
| Expected Return on Plan Assets                                       | 10,963.86    | 9,786.42      | 875.27        | 827.71        |
| Contributions by employer                                            | 8,112.88     | 7,634.52      | 694.22        | 1,324.82      |
| Expected Contributions by the employees                              | 2.78         | -             | 0.10          | 0.09          |
| Benefits Paid                                                        | (6,083.50)   | (5,165.42)    | (1,363.06)    | (1,525.60)    |
| Actuarial Gains / (Loss) on plan Assets – Due to Experience          | 2,791.26     | 6,239.91      | 208.63        | 447.04        |
| Closing fair value of plan assets as at 31 <sup>st</sup> March       | 1,67,431.25  | 1,51,643.97   | 12,554.88     | 12,139.72     |

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

(₹ in Crore)

| Particulars                                                                                             | Pension Plan |               | Gratuity Plan |               |
|---------------------------------------------------------------------------------------------------------|--------------|---------------|---------------|---------------|
|                                                                                                         | Current Year | Previous Year | Current Year  | Previous Year |
| <b>Reconciliation of present value of the obligation and fair value of the plan assets</b>              |              |               |               |               |
| Present Value of Funded obligation at the year end                                                      | 2,04,470.79  | 1,90,944.96   | 13,376.61     | 12,833.94     |
| Fair Value of Plan assets at the year end                                                               | 1,67,431.25  | 1,51,643.97   | 12,554.88     | 12,139.72     |
| Funded Status Deficit/(Surplus)                                                                         | 37,039.54    | 39,300.99     | 821.73        | 694.22        |
| Unrecognised Past Service Cost (Vested) Closing Balance                                                 | -            | -             | -             | -             |
| Unrecognised Transitional Liability Closing Balance                                                     | -            | -             | -             | -             |
| Net Liability/(Asset)                                                                                   | 37,039.54    | 39,300.99     | 821.73        | 694.22        |
| <b>Amount Recognised in the Balance Sheet</b>                                                           |              |               |               |               |
| Liabilities                                                                                             | 2,04,470.79  | 1,90,944.96   | 13,376.61     | 12,833.94     |
| Assets                                                                                                  | 1,67,431.25  | 1,51,643.97   | 12,554.88     | 12,139.72     |
| Net Liability / (Asset) recognised in Balance Sheet                                                     | 37,039.54    | 39,300.99     | 821.73        | 694.22        |
| Unrecognised Past Service Cost (Vested) Closing Balance                                                 | -            | -             | -             | -             |
| Unrecognised Transitional Liability Closing Balance                                                     | -            | -             | -             | -             |
| Net Liability/(Asset) recognised in Balance Sheet                                                       | 37,039.54    | 39,300.99     | 821.73        | 694.22        |
| <b>Net Cost recognised in the profit and loss account</b>                                               |              |               |               |               |
| Current Service Cost                                                                                    | 1,109.80     | 956.93        | 490.61        | 471.41        |
| Interest Cost                                                                                           | 13,805.32    | 11,537.02     | 925.33        | 926.81        |
| Expected return on plan assets                                                                          | (10,963.86)  | (9,786.42)    | (875.27)      | (827.71)      |
| Expected Contributions by the employees                                                                 | (2.78)       | -             | (0.10)        | (0.09)        |
| Past Service Cost (Amortised) Recognised                                                                | -            | -             | -             | -             |
| Past Service Cost (Vested Benefit) Recognised                                                           | -            | 7,100.00      | -             | -             |
| Net actuarial losses/ (Gain) recognised during the year                                                 | 9,092.69     | 19,985.10     | 281.16        | 123.80        |
| Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees" | 13,041.17    | 29,792.63     | 821.73        | 694.22        |
| <b>Reconciliation of expected return and actual return on Plan Assets</b>                               |              |               |               |               |
| Expected Return on Plan Assets                                                                          | 10,963.86    | 9,786.42      | 875.27        | 827.71        |
| Actuarial Gain/ (loss) on Plan Assets- Due to Experience                                                | 2,791.26     | 6,239.91      | 208.63        | 447.04        |
| Actual Return on Plan Assets                                                                            | 13,755.12    | 16,026.33     | 1,083.90      | 1,274.75      |
| <b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b>         |              |               |               |               |
| Opening Net Liability/ (Asset) as at 1 <sup>st</sup> April                                              | 39,300.99    | 23,817.72     | 694.22        | 1,324.82      |
| Expenses as recognised in Profit and Loss account                                                       | 13,041.17    | 29,792.63     | 821.73        | 694.22        |
| Paid by Bank Directly                                                                                   | (7,189.74)   | (6,674.84)    | -             | -             |
| Debited to Other Provision                                                                              | -            | -             | -             | -             |
| Recognised in Reserve                                                                                   | -            | -             | -             | -             |
| Employer's Contribution                                                                                 | (8,112.88)   | (7,634.52)    | (694.22)      | (1,324.82)    |
| Net liability/(Asset) recognised in Balance Sheet                                                       | 37,039.54    | 39,300.99     | 821.73        | 694.22        |

**Plan Assets of Pension Fund & Gratuity Fund as on 31<sup>st</sup> March 2025 are as follows:**

| Category of Assets                                         | Pension Fund     |                | Gratuity Plan    |                |
|------------------------------------------------------------|------------------|----------------|------------------|----------------|
|                                                            | % of Plan Assets |                | % of Plan Assets |                |
|                                                            | Current Year     | Previous Year  | Current Year     | Previous Year  |
| Central Government Securities                              | 12.71%           | 13.82%         | 14.99%           | 15.25%         |
| State Government Securities                                | 38.41%           | 36.25%         | 33.50%           | 34.25%         |
| Debt Securities, Money Market Securities and Bank Deposits | 29.42%           | 28.36%         | 25.53%           | 26.14%         |
| ETF and Mutual Funds                                       | 16.58%           | 15.06%         | 14.05%           | 13.22%         |
| Insurer Managed Funds                                      | 1.07%            | 1.10%          | 10.56%           | 10.05%         |
| Others                                                     | 1.81%            | 5.41%          | 1.37%            | 1.09%          |
| <b>Total</b>                                               | <b>100.00%</b>   | <b>100.00%</b> | <b>100.00%</b>   | <b>100.00%</b> |

**Principal actuarial assumptions**

| Particulars                           | Pension Plans           |                         | Gratuity Plan        |                      |
|---------------------------------------|-------------------------|-------------------------|----------------------|----------------------|
|                                       | Current year            | Previous year           | Current year         | Previous year        |
| Discount Rate                         | 7.02%                   | 7.23%                   | 6.82%                | 7.21%                |
| Expected Rate of return on Plan Asset | 7.02%                   | 7.23%                   | 6.82%                | 7.21%                |
| Salary Escalation Rate                | 6.00%                   | 6.00%                   | 6.00%                | 6.00%                |
| Pension Escalation Rate               | 2.00%                   | 2.00%                   | Not Applicable       | Not Applicable       |
| Attrition Rate                        | 2.00%                   | 2.00%                   | 2.00%                | 2.00%                |
| Mortality Table During Employment     | IALM 2012-14 (Urban)    | IALM 2012-14 (Urban)    | IALM 2012-14 (Urban) | IALM 2012-14 (Urban) |
| Mortality Table After Employment      | IALM 2006-08 (Ultimate) | IALM 2006-08 (Ultimate) | Not Applicable       | Not Applicable       |

**Surplus/Deficit in the plan**

**Pension**

(₹ in Crore)

| Amount recognised in the Balance Sheet           | Year ended 31-03-2021 | Year ended 31-03-2022 | Year ended 31-03-2023 | Year ended 31-03-2024 | Year ended 31-03-2025 |
|--------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Liability at the end of the year                 | 1,25,806.37           | 1,46,124.99           | 1,56,966.26           | 1,90,944.96           | 2,04,470.79           |
| Fair value of Plan Assets at the end of the year | 1,06,445.86           | 1,30,590.73           | 1,33,148.54           | 1,51,643.97           | 1,67,431.25           |
| Difference                                       | 19,360.51             | 15,534.26             | 23,817.72             | 39,300.99             | 37,039.54             |
| Unrecognised Past Service Cost                   | -                     | -                     | -                     | -                     | -                     |
| Unrecognised Transition Liability                | -                     | -                     | -                     | -                     | -                     |
| Amount Recognised in the Balance Sheet           | 19,360.51             | 15,534.26             | 23,817.72             | 39,300.99             | 37,039.54             |

## Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### Experience adjustment

(₹ in Crore)

| Amount recognised in the Balance Sheet | Year ended 31-03-2021 | Year ended 31-03-2022 | Year ended 31-03-2023 | Year ended 31-03-2024 | Year ended 31-03-2025 |
|----------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| On Plan Liability (Gain) / Loss        | 12,528.38             | 4,162.26              | 8,997.32              | 21,009.20             | 7,928.54              |
| On Plan Asset (Loss) /Gain             | 3,705.91              | (436.95)              | (4,364.24)            | 6,239.91              | 2,791.26              |

### Surplus/ Deficit in the Plan

#### Gratuity Plan

(₹ in Crore)

| Amount recognised in the Balance Sheet           | Year ended 31-03-2021 | Year ended 31-03-2022 | Year ended 31-03-2023 | Year ended 31-03-2024 | Year ended 31-03-2025 |
|--------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Liability at the end of the year                 | 13,447.17             | 12,714.22             | 12,390.48             | 12,833.94             | 13,376.61             |
| Fair value of Plan Assets at the end of the year | 10,950.23             | 10,925.06             | 11,065.66             | 12,139.72             | 12,554.88             |
| Difference                                       | 2,496.94              | 1,789.16              | 1,324.82              | 694.22                | 821.73                |
| Unrecognised Past Service Cost                   | -                     | -                     | -                     | -                     | -                     |
| Unrecognised Transition Liability                | -                     | -                     | -                     | -                     | -                     |
| Amount Recognised in the Balance Sheet           | 2,496.94              | 1,789.16              | 1,324.82              | 694.22                | 821.73                |

### Experience adjustment

(₹ in Crore)

| Amount recognised in the Balance Sheet | Year ended 31-03-2021 | Year ended 31-03-2022 | Year ended 31-03-2023 | Year ended 31-03-2024 | Year ended 31-03-2025 |
|----------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| On Plan Liability (Gain) / Loss        | 1,053.04              | 366.15                | 138.91                | 542.28                | 38.49                 |
| On Plan Asset (Loss) /Gain             | 331.37                | (76.85)               | (336.70)              | 447.04                | 208.63                |

The expected contribution to the Pension and Gratuity Fund for the next year is ₹3,045.99 Crore and ₹1,347.52 Crore respectively.

As the plan assets are marked to market on the basis of the yield curve derived from government securities, the expected rate of return has been kept the same as the discount rate.

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

## 2. Employees' Provident Fund

Actuarial valuation carried out in respect of interest shortfall in the Provident Fund Trust of the Bank, as per Deterministic Approach shows "Nil" liability, hence no provision is made in FY 2024-25.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuary appointed by the Bank:

| Particulars                                                                                             | Provident Fund |               |
|---------------------------------------------------------------------------------------------------------|----------------|---------------|
|                                                                                                         | Current Year   | Previous Year |
| <b>Change in the present value of the defined benefit obligation</b>                                    |                |               |
| Opening defined benefit obligation as at 1 <sup>st</sup> April                                          | 41,827.21      | 38,236.80     |
| Current Service Cost                                                                                    | 2,145.88       | 2,123.44      |
| Interest Cost                                                                                           | 3,518.56       | 3,087.84      |
| Employee Contribution (including VPF)                                                                   | 2,830.62       | 2,822.83      |
| Actuarial losses/(gains)                                                                                | 27.58          | (3.96)        |
| Benefits paid                                                                                           | (4,230.90)     | (4,439.74)    |
| Closing defined benefit obligation as at 31 <sup>st</sup> March                                         | 46,118.95      | 41,827.21     |
| <b>Change in Plan Assets</b>                                                                            |                |               |
| Opening fair value of Plan Assets as at 1 <sup>st</sup> April                                           | 42,600.99      | 39,210.05     |
| Expected Return on Plan Assets                                                                          | 3,518.56       | 3,087.84      |
| Contributions                                                                                           | 4,976.50       | 4,946.27      |
| Provision for loss on maturity of non-performing investment                                             | -              | -             |
| Benefits Paid                                                                                           | (4,230.90)     | (4,439.74)    |
| Actuarial Gains / (Loss) on plan Assets                                                                 | (434.71)       | (203.43)      |
| Closing fair value of plan assets as at 31 <sup>st</sup> March                                          | 46,430.44      | 42,600.99     |
| <b>Reconciliation of present value of the obligation and fair value of the plan assets</b>              |                |               |
| Present Value of Funded obligation at the year end                                                      | 46,118.95      | 41,827.21     |
| Fair Value of Plan assets at the year end                                                               | 46,430.44      | 42,600.99     |
| Funded Status [Deficit/(Surplus)]                                                                       | (311.49)       | (773.78)      |
| Net Asset not recognised in Balance Sheet                                                               | 311.49         | 773.78        |
| <b>Net Cost recognised in the profit and loss account</b>                                               |                |               |
| Current Service Cost                                                                                    | 2,145.88       | 2,123.44      |
| Interest Cost                                                                                           | 3,518.56       | 3,087.84      |
| Expected return on plan assets                                                                          | (3,518.56)     | (3,087.84)    |
| Interest shortfall reversed                                                                             | -              | -             |
| Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees" | 2,145.88       | 2,123.44      |
| <b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b>         |                |               |
| Opening Net Liability as at 1 <sup>st</sup> April                                                       | -              | -             |
| Expense as above                                                                                        | 2,145.88       | 2,123.44      |
| Employer's Contribution                                                                                 | (2,145.88)     | (2,123.44)    |
| Net Liability/(Asset) Recognised in the Balance Sheet                                                   | -              | -             |

(₹ in Crore)



## Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### Plan Assets of Provident Fund as on 31<sup>st</sup> March 2025 are as follows:

| Category of Assets                                         | Provident Fund   |                |
|------------------------------------------------------------|------------------|----------------|
|                                                            | % of Plan Assets |                |
|                                                            | Current year     | Previous year  |
| Central Government Securities                              | 16.43%           | 18.10%         |
| State Government Securities                                | 38.53%           | 34.96%         |
| Debt Securities, Money Market Securities and Bank Deposits | 31.93%           | 32.29%         |
| Mutual Funds                                               | 10.40%           | 8.83%          |
| Others                                                     | 2.71%            | 5.82%          |
| <b>Total</b>                                               | <b>100.00%</b>   | <b>100.00%</b> |

### Principal actuarial assumptions

| Particulars            | Provident Fund       |                      |
|------------------------|----------------------|----------------------|
|                        | Current year         | Previous year        |
| Discount Rate          | 6.82%                | 7.21%                |
| Guaranteed Return      | 8.25%                | 8.15%                |
| Attrition Rate         | 2.00%                | 2.00%                |
| Salary Escalation Rate | 6.00%                | 6.00%                |
| Mortality Table        | IALM 2012-14 (Urban) | IALM 2012-14 (Urban) |

There is a guaranteed return applicable to liability under SBI Employees Provident Fund which shall not be lower of either:

- (a) one half percent above the average standard rate (adjusted up or down to the interest one quarter per cent) quoted by the bank for new deposits fixed for twelve months in the preceding year (ending on the preceding the 31<sup>st</sup> day of March); or
- (b) three percent per annum, subject to approval of Executive Committee.

### ii. Defined Contribution Plan:

The Bank has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after 1<sup>st</sup> August 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2024-25, the Bank contributed ₹1,797.66 Crore (Previous Year ₹1,552.41 Crore).

### iii. Long Term Employee Benefits (Unfunded Obligation):

#### (a) Accumulating Compensated Absences (Privilege Leave)

The following table sets out the status of Accumulating Compensated Absences (Privilege Leave) as per the actuarial valuation by the independent Actuary appointed by the Bank: -

(₹ in Crore)

| Particulars                                                                                             | Accumulating Compensated Absences<br>(Privilege Leave) |               |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------|
|                                                                                                         | Current Year                                           | Previous Year |
| <b>Change in the present value of the defined benefit obligation</b>                                    |                                                        |               |
| Opening defined benefit obligation as at 1 <sup>st</sup> April                                          | 13,543.96                                              | 11,068.33     |
| Current Service Cost                                                                                    | 454.91                                                 | 363.76        |
| Interest Cost                                                                                           | 976.52                                                 | 827.91        |
| Actuarial losses/(gains)                                                                                | 2,108.89                                               | 2,372.84      |
| Benefits paid                                                                                           | (1,188.67)                                             | (1,088.88)    |
| Closing defined benefit obligation as at 31 <sup>st</sup> March                                         | 15,895.61                                              | 13,543.96     |
| <b>Net Cost recognised in the profit and loss account</b>                                               |                                                        |               |
| Current Service Cost                                                                                    | 454.91                                                 | 363.76        |
| Interest Cost                                                                                           | 976.52                                                 | 827.91        |
| Actuarial (Gain)/ Losses                                                                                | 2,108.89                                               | 2,372.84      |
| Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees" | 3,540.32                                               | 3,564.51      |
| <b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b>         |                                                        |               |
| Opening Net Liability as at 1 <sup>st</sup> April                                                       | 13,543.96                                              | 11,068.33     |
| Expense as above                                                                                        | 3,540.32                                               | 3,564.51      |
| Employer's Contribution                                                                                 | -                                                      | -             |
| Benefit paid directly by the Employer                                                                   | (1,188.67)                                             | (1,088.88)    |
| Net Liability/(Asset) Recognised in the Balance Sheet                                                   | 15,895.61                                              | 13,543.96     |

#### Principal actuarial assumptions

| Particulars            | Current year            | Previous year           |
|------------------------|-------------------------|-------------------------|
| Discount Rate          | 6.82%                   | 7.21%                   |
| Salary Escalation Rate | 6.00%                   | 6.00%                   |
| Attrition Rate         | 2.00%                   | 2.00%                   |
| Mortality Table        | IALM 2012-14<br>(Urban) | IALM 2012-14<br>(Urban) |

#### (b) Other Long-Term Employee Benefits

Amount of ₹86.32 Crore (Previous Year ₹193.85 Crore) is provided as per the actuarial valuation by the independent Actuary appointed by the Bank towards Other Long-Term Employee Benefits viz. Leave Travel and Home Travel Concession (Encashment/Availment), Silver Jubilee Award, Resettlement Expenses on Superannuation and Retirement Award and is included under the head "Payments to and Provisions for Employees" in Profit and Loss Account.

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### Principal actuarial assumptions

| Particulars            | Current year            | Previous year           |
|------------------------|-------------------------|-------------------------|
| Discount Rate          | 6.82%                   | 7.21%                   |
| Salary Escalation Rate | 6.00%                   | 6.00%                   |
| Attrition Rate         | 2.00%                   | 2.00%                   |
| Mortality Table        | IALM 2012-14<br>(Urban) | IALM 2012-14<br>(Urban) |

### c. Accounting Standard - 17 "Segment Reporting"

#### 1. Segment Identification

##### I. Primary (Business Segment)

The following are the primary segments of the Bank: -

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Other Banking Business.

The present accounting and information system of the Bank does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the primary segments have been computed as under:

##### i. Treasury

The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.

##### ii. Corporate / Wholesale Banking

The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices.

##### iii. Retail Banking

The Retail Banking Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs. As per RBI Circular DOR. AUT. REC.12/22.01.001/2022-23 dated 7<sup>th</sup> April 2022, for the purpose of disclosure under Accounting Standard 17 Segment Reporting "Digital Banking" has been identified as a sub-segment under the "Retail Banking Segment".

##### iv. Other Banking business

Segments not classified under (i) to (iii) above are classified under this primary segment.

## II. Secondary (Geographical Segment)

- i) Domestic Operations - Branches/Offices having operations in India
- ii) Foreign Operations - Branches/Offices having operations outside India and offshore Banking units having operations in India

## III. Pricing of Inter-segmental Transfers

The Retail Banking segment is the primary resource mobilising unit. The Corporate/Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sells funds to business units engaged in creating assets.

## IV. Allocation of Expenses, Assets and Liabilities

Expenses incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

The Bank has certain common assets and liabilities, which cannot be attributed to any segment and the same are treated as unallocated.

## 2. Segment Information

### Part A: Primary (Business Segments):

| Business Segment                                       | Treasury      | Corporate / Wholesale Banking | Retail Banking  |                      | Total         | Other Banking Operations | Total         |
|--------------------------------------------------------|---------------|-------------------------------|-----------------|----------------------|---------------|--------------------------|---------------|
|                                                        |               |                               | Digital Banking | Other retail Banking |               |                          |               |
| Revenue (before exceptional items) <sup>#</sup>        | 1,35,243.41   | 1,46,570.05                   | 7,627.19        | 2,32,959.79          | 2,40,586.98   | -                        | 5,22,400.44   |
|                                                        | (1,25,552.27) | (1,30,257.54)                 | (5,149.22)      | (2,03,630.78)        | (2,08,780.00) | (-)                      | (4,64,589.81) |
| Unallocated Revenue <sup>#</sup>                       |               |                               |                 |                      |               |                          | 1,771.97      |
|                                                        |               |                               |                 |                      |               |                          | (2,223.01)    |
| Total Revenue <sup>#</sup>                             |               |                               |                 |                      |               |                          | 5,24,172.41   |
|                                                        |               |                               |                 |                      |               |                          | (4,66,812.82) |
| Result (before exceptional items) <sup>#</sup>         | 17,585.43     | 28,719.01                     | 15,289.97       | 43,577.23            | 58,867.20     | -                        | 1,05,171.64   |
|                                                        | (16,187.30)   | (40,474.40)                   | (7,685.55)      | (31,863.16)          | (39,548.71)   | (-)                      | (96,210.41)   |
| Less: Exceptional Items <sup>#</sup>                   |               |                               |                 |                      |               |                          | Nil           |
|                                                        |               |                               |                 |                      |               |                          | (7,100.00)    |
| Result (after exceptional items) <sup>#</sup>          |               |                               |                 |                      |               |                          | 1,05,171.64   |
|                                                        |               |                               |                 |                      |               |                          | (89,110.41)   |
| Unallocated Income(+) / Expenses(-) - net <sup>#</sup> |               |                               |                 |                      |               |                          | -9,900.37     |
|                                                        |               |                               |                 |                      |               |                          | (-7,327.45)   |
| Profit before tax <sup>#</sup>                         |               |                               |                 |                      |               |                          | 95,271.27     |
|                                                        |               |                               |                 |                      |               |                          | (81,782.96)   |
| Tax <sup>#</sup>                                       |               |                               |                 |                      |               |                          | 24,370.64     |
|                                                        |               |                               |                 |                      |               |                          | (20,706.34)   |
| Extraordinary Profit <sup>#</sup>                      |               |                               |                 |                      |               |                          | Nil           |
|                                                        |               |                               |                 |                      |               |                          | Nil           |
| Net Profit <sup>#</sup>                                |               |                               |                 |                      |               |                          | 70,900.63     |
|                                                        |               |                               |                 |                      |               |                          | (61,076.62)   |

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

| Business Segment         | Treasury       | Corporate /<br>Wholesale<br>Banking | Retail Banking     |                         |                | Other<br>Banking<br>Operations | Total          |
|--------------------------|----------------|-------------------------------------|--------------------|-------------------------|----------------|--------------------------------|----------------|
|                          |                |                                     | Digital<br>Banking | Other retail<br>Banking | Total          |                                |                |
| Other Information:       |                |                                     |                    |                         |                |                                |                |
| Segment Assets *         | 17,84,577.65   | 19,35,573.66                        | 85,400.65          | 27,92,318.15            | 28,77,718.80   | -                              | 65,97,870.11   |
|                          | (17,99,263.94) | (17,13,722.56)                      | (74,123.60)        | (25,33,651.57)          | (26,07,775.17) | (-)                            | (61,20,761.67) |
| Unallocated Assets *     |                |                                     |                    |                         |                |                                | 78,183.16      |
|                          |                |                                     |                    |                         |                |                                | (58,932.27)    |
| Total Assets*            |                |                                     |                    |                         |                |                                | 66,76,053.27   |
|                          |                |                                     |                    |                         |                |                                | (61,79,693.94) |
| Segment Liabilities *    | 15,77,129.76   | 17,53,842.31                        | 9,08,256.98        | 17,56,318.53            | 26,64,575.51   | -                              | 59,95,547.58   |
|                          | (16,20,651.34) | (16,26,313.44)                      | (6,94,818.32)      | (16,70,042.28)          | (23,64,860.60) | (-)                            | (56,11,825.38) |
| Unallocated Liabilities* |                |                                     |                    |                         |                |                                | 2,39,343.57    |
|                          |                |                                     |                    |                         |                |                                | (1,90,622.03)  |
| Total Liabilities *      |                |                                     |                    |                         |                |                                | 62,34,891.15   |
|                          |                |                                     |                    |                         |                |                                | (58,02,447.41) |

(Figures in brackets are for previous year).

### Part B: Secondary (Geographic Segments):

(₹ in Crore)

| Particulars                          | Domestic     |               | Foreign      |               | Total        |               |
|--------------------------------------|--------------|---------------|--------------|---------------|--------------|---------------|
|                                      | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Revenue (before exceptional items) # | 4,81,313.36  | 4,27,103.26   | 42,859.06    | 39,709.56     | 5,24,172.41  | 4,66,812.82   |
| Net Profit#                          | 59,023.27    | 49,032.85     | 11,877.36    | 12,043.77     | 70,900.63    | 61,076.62     |
| Assets *                             | 58,90,325.40 | 55,13,953.27  | 7,85,727.87  | 6,65,740.67   | 66,76,053.27 | 61,79,693.94  |
| Liabilities*                         | 54,59,163.28 | 51,36,706.74  | 7,85,727.87  | 6,65,740.67   | 62,34,891.15 | 58,02,447.41  |

# For the year ended 31<sup>st</sup> March 2025.

\* As at 31<sup>st</sup> March, 2025.

### d. Accounting Standard – 18 “Related Party Disclosures”:

#### 1. Related Parties

##### A. SUBSIDIARIES

##### i. FOREIGN BANKING SUBSIDIARIES

- Commercial Indo Bank LLC, Moscow
- SBI Canada Bank
- State Bank of India (California)
- State Bank of India (UK) Limited
- SBI (Mauritius) Ltd.
- PT Bank SBI Indonesia
- Nepal SBI Bank Ltd.

**ii. DOMESTIC NON-BANKING SUBSIDIARIES**

1. SBI Life Insurance Company Ltd.
2. SBI General Insurance Company Ltd.
3. SBI Cards & Payment Services Ltd.
4. SBI Funds Management Ltd.
5. SBI Mutual Fund Trustee Company Pvt. Ltd.
6. SBI Venture Ltd. (formerly known as SBICAP Ventures Ltd.)
7. SBI Capital Markets Ltd.
8. SBICAP Trustee Company Ltd.
9. SBICAP Securities Ltd.
10. SBI Factors Ltd. (formerly known as SBI Global Factors Ltd.)
11. SBI - SG Global Securities Services Pvt. Ltd.
12. SBI DFHI Ltd.
13. SBI Pension Funds Pvt. Ltd.
14. SBI Payment Services Pvt. Ltd.
15. SBI Infra Management Solutions Pvt. Ltd. (under liquidation)
16. SBI Foundation (a Not-For-Profit Company)
17. State Bank Operations Support Services Pvt. Ltd.
18. SBI CDMDF Trustee Private Ltd.

**iii. FOREIGN NON-BANKING SUBSIDIARIES**

1. SBI Funds Management (International) Pvt. Ltd.
2. State Bank of India Servicos Limitada.
3. Nepal SBI Merchant Banking Ltd.
4. SBI Funds International (IFSC) Ltd.

**B. JOINTLY CONTROLLED ENTITIES**

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

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### C. ASSOCIATES

#### i. Regional Rural Banks

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

#### ii. Others

1. The Clearing Corporation of India Ltd. (up to 8<sup>th</sup> August 2024)
2. Bank of Bhutan Ltd.
3. Yes Bank Ltd.
4. Investec Capital Services (India) Pvt. Ltd.
5. SBI Home Finance Ltd. (fully dissolved)

### D. KEY MANAGEMENT PERSONNEL OF THE BANK

1. Shri Challa Sreenivasulu Setty, Chairman (from 28<sup>th</sup> August 2024)
2. Shri Dinesh Kumar Khara, Chairman (up to 27<sup>th</sup> August 2024)
3. Shri Challa Sreenivasulu Setty, Managing Director (International Banking, Global Markets & Technology) (till 27<sup>th</sup> August 2024)
4. Shri Ashwini Kumar Tewari, Managing Director (Corporate Banking & Subsidiaries)
5. Shri Alok Kumar Choudhary, Managing Director (Risk, Compliance & SARG) (up to 30<sup>th</sup> June 2024)
6. Shri Vinay M. Tonse, Managing Director (Retail Business & Operations)
7. Shri Rana Ashutosh Kumar Singh, Managing Director (Risk, Compliance & SARG) (from 7<sup>th</sup> August 2024)
8. Shri Rama Mohan Rao Amara, Managing Director (International Banking, Global Markets & Technology) (from 18<sup>th</sup> December 2024)

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

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

## 3. Transactions and Balances:

(₹ in Crore)

| Particulars                                             | Associates/<br>Joint Ventures     | Key<br>Management<br>Personnel &<br>their relatives | Total    | Associates/<br>Joint Ventures     | Key<br>Management<br>Personnel &<br>their relatives | Total    |
|---------------------------------------------------------|-----------------------------------|-----------------------------------------------------|----------|-----------------------------------|-----------------------------------------------------|----------|
| <b>Outstanding as at</b>                                | <b>31<sup>st</sup> March 2025</b> |                                                     |          | <b>31<sup>st</sup> March 2024</b> |                                                     |          |
| Borrowings                                              | -                                 | -                                                   | -        | -                                 | -                                                   | -        |
| Deposits                                                | 622.37                            | -                                                   | 622.37   | 1,938.05                          | -                                                   | 1,938.05 |
| Other Liabilities                                       | 18.16                             | -                                                   | 18.16    | 72.23                             | -                                                   | 72.23    |
| Balance with Banks and Money at call and short notice   | 0.22                              | -                                                   | 0.22     | 4.55                              | -                                                   | 4.55     |
| Advances                                                | 3,116.57                          | -                                                   | 3,116.57 | 1,868.59                          | -                                                   | 1,868.59 |
| Investments                                             | 7,917.14                          | -                                                   | 7,917.14 | 7,925.54                          | -                                                   | 7,925.54 |
| Other Assets                                            | 6.00                              | -                                                   | 6.00     | 377.71                            | -                                                   | 377.71   |
| Non-fund commitments (LCs/BGs)                          | 237.05                            | -                                                   | 237.05   | 96.23                             | -                                                   | 96.23    |
| <b>Maximum outstanding</b>                              | <b>During FY 2024-25</b>          |                                                     |          | <b>During FY 2023-24</b>          |                                                     |          |
| Borrowings                                              | 641.06                            | -                                                   | 641.06   | 850.00                            | -                                                   | 850.00   |
| Deposits                                                | 3,516.89                          | -                                                   | 3,516.89 | 6,410.68                          | -                                                   | 6,410.68 |
| Other Liabilities                                       | 171.29                            | -                                                   | 171.29   | 97.67                             | -                                                   | 97.67    |
| Balance with Banks and Money at call and short notice   | 7.22                              | -                                                   | 7.22     | 8.64                              | -                                                   | 8.64     |
| Advances                                                | 3,248.71                          | -                                                   | 3,248.71 | 2,204.87                          | -                                                   | 2,204.87 |
| Investments                                             | 7,925.54                          | -                                                   | 7,925.54 | 7,925.54                          | -                                                   | 7,925.54 |
| Other Assets                                            | 431.24                            | -                                                   | 431.24   | 417.29                            | -                                                   | 417.29   |
| Non-fund commitments (LCs/BGs)                          | 237.05                            | -                                                   | 237.05   | 96.23                             | -                                                   | 96.23    |
| <b>During the year</b>                                  | <b>During FY 2024-25</b>          |                                                     |          | <b>During FY 2023-24</b>          |                                                     |          |
| Interest Income                                         | 388.74                            | -                                                   | 388.74   | 133.61                            | -                                                   | 133.61   |
| Interest expenditure                                    | 85.68                             | -                                                   | 85.68    | 143.67                            | -                                                   | 143.67   |
| Income earned by way of dividend                        | 28.44                             | -                                                   | 28.44    | 25.99                             | -                                                   | 25.99    |
| Other Income                                            | 3.64                              | -                                                   | 3.64     | 3.51                              | -                                                   | 3.51     |
| Other expenditure                                       | 16.20                             | -                                                   | 16.20    | 33.59                             | -                                                   | 33.59    |
| Profit/(loss) on sale of land/building and other assets | -                                 | -                                                   | -        | (-)0.02                           | -                                                   | (-)0.02  |
| Management contracts                                    | -                                 | 2.56                                                | 2.56     | -                                 | 2.21                                                | 2.21     |

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



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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### e. Accounting Standard - 19 "Leases":

- i. Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the Bank.
- ii. Liability for Premises taken on non-cancellable operating lease are given below:

| Particulars                                  | (₹ in Crore)                         |                                      |
|----------------------------------------------|--------------------------------------|--------------------------------------|
|                                              | As at<br>31 <sup>st</sup> March 2025 | As at<br>31 <sup>st</sup> March 2024 |
| Not later than 1 year                        | 19.88                                | 58.39                                |
| Later than 1 year and not later than 5 years | 319.13                               | 25.88                                |
| Later than 5 years                           | 94.63                                | 8.90                                 |
| <b>Total</b>                                 | <b>433.64</b>                        | <b>93.17</b>                         |

- iii. Amount of lease payments recognised in the P&L Account for operating leases is ₹4,616.44 Crore (Previous year ₹4,412.43 Crore).

### f. Accounting Standard -20 "Earnings per Share":

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - "Earnings per Share". "Basic earnings" per share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year.

| Particulars                                                                         | Current Year  | Previous Year |
|-------------------------------------------------------------------------------------|---------------|---------------|
| <b>Basic and diluted</b>                                                            |               |               |
| Number of Equity Shares outstanding at the beginning of the year                    | 892,46,11,934 | 892,46,11,934 |
| Number of Equity Shares issued during the year                                      | 8,100         | Nil           |
| Number of Equity Shares outstanding at the end of the year                          | 892,46,20,034 | 892,46,11,934 |
| Weighted average number of equity shares used in computing basic earnings per share | 892,46,17,147 | 892,46,11,934 |
| Weighted average number of shares used in computing diluted earnings per share      | 892,46,17,147 | 892,46,11,934 |
| Net profit / (loss) (₹ in Crore)                                                    | 70,900.63     | 61,076.62     |
| Basic earnings per share (₹)                                                        | 79.44         | 68.44         |
| Diluted earnings per share (₹)                                                      | 79.44         | 68.44         |
| Nominal value per share (₹)                                                         | 1.00          | 1.00          |

### g. Accounting Standard - 22 "Accounting for Taxes on Income":

#### a. Current Tax:

During the year the Bank has debited to Profit & Loss Account ₹24,843.75 Crore (Previous Year ₹22,871.63 Crore) on account of current tax. The Current Tax in India has been calculated in accordance with the provisions of Income Tax Act, 1961 after taking appropriate relief for taxes paid in foreign jurisdictions.

**b. Deferred Tax:**

During the year ₹473.11 Crore has been credited to Profit and Loss Account (Previous Year ₹2,165.29 Crore) on account of deferred tax.

The Bank has a net DTA of ₹9,229.43 Crore (Previous Year net DTA of ₹11,423.87 Crore), which comprises of DTL of ₹54.93 Crore (Previous Year ₹7.60 Crore) included under 'Other Liabilities and Provisions' and Deferred Tax Assets (DTA) of ₹9,284.36 Crore (Previous Year ₹11,431.47 Crore) included under 'Other Assets'. The major components of DTA and DTL is given below:

| (₹ in Crore)                                                    |                                      |                                      |
|-----------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                     | As at<br>31 <sup>st</sup> March 2025 | As at<br>31 <sup>st</sup> March 2024 |
| <b>Deferred Tax Assets (DTA)</b>                                |                                      |                                      |
| Provision for long term employee Benefits                       | 13,420.45                            | 13,645.91                            |
| Provision for advances                                          | 5,966.23                             | 5,910.46                             |
| Provision for Other Assets/Other Liabilities                    | 2,636.94                             | 3,033.08                             |
| On Foreign Currency Translation Reserve                         | 1,325.89                             | 1,101.26                             |
| Depreciation on Fixed Assets                                    | 399.48                               | 404.19                               |
| on Mark to Market Gains on investments of IBG in India          | 15.82                                | -                                    |
| On account of Foreign Offices                                   | 502.20                               | 432.86                               |
| <b>Total</b>                                                    | <b>24,267.01</b>                     | <b>24,527.76</b>                     |
| <b>Deferred Tax Liabilities (DTL)</b>                           |                                      |                                      |
| Interest accrued but not due on Securities                      | 7,328.15                             | 7,191.40                             |
| Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 | 5,301.47                             | 4,914.57                             |
| ICDS-Interest on Income Tax Refund accrued & not received       | 686.38                               | 990.32                               |
| on Mark to Market Gains on investments                          | 1,666.65                             | -                                    |
| On account of Foreign Offices                                   | 54.93                                | 7.60                                 |
| <b>Total</b>                                                    | <b>15,037.58</b>                     | <b>13,103.89</b>                     |
| <b>Net Deferred Tax Assets/(Liabilities)</b>                    | <b>9,229.43</b>                      | <b>11,423.87</b>                     |

The Bank had exercised the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 from the financial year 2019-20 onwards.

The Bank has branches/offices having operations outside India. In eight countries. Pillar Two legislation is enacted or substantively enacted but not yet in effect for the major part of reporting period. For the FY 2024-25, these foreign branches have not paid any taxes under Pillar Two legislation.

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### h. Accounting Standard – 27 “Financial Reporting of interests in Joint Ventures”:

Investments include ₹104.89 Crore (Previous Year ₹28.06 Crore) representing Bank's interest in the following jointly controlled entities. (Figures in brackets relate to previous year)

| Name of the Company                                             | Amount<br>(₹ in Crore)    | Country of<br>Residence | Holding %     |
|-----------------------------------------------------------------|---------------------------|-------------------------|---------------|
| C - Edge Technologies Ltd.                                      | 4.90<br>(4.90)            | India                   | 49%<br>(49%)  |
| SBI Macquarie Infrastructure Management Pvt. Ltd.               | 18.57<br>(18.57)          | India                   | 45%<br>(45%)  |
| SBI Macquarie Infrastructure Trustee Pvt. Ltd.                  | 0.03<br>(0.03)            | India                   | 45%<br>(45%)  |
| Maquarie SBI Infrastructure Management Pte. Ltd.*               | -<br>(2.25)               | Singapore               | 45%<br>(45%)  |
| Macquarie SBI Infrastructure Trustee Ltd. **                    | -<br>(-)                  | Bermuda                 | 45%<br>(45%)  |
| Oman India Joint Investment Fund – Management Company Pvt. Ltd. | 2.30<br>(2.30)            | India                   | 50%<br>(50%)  |
| Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.    | 0.01<br>(0.01)            | India                   | 50%<br>(50%)  |
| Jio Payments Bank Limited ***                                   | 79.08<br>(-)              | India                   | 14.96%<br>(-) |
| <b>Total</b>                                                    | <b>104.89<br/>(28.06)</b> |                         |               |

\* 100% provision on investments has been made during the year.

\*\* Indirect holding through Macquarie SBI Infra Management Pte. Ltd., against which the company has made 100% provision on investments.

\*\*\* Jio Payments Bank Limited was an Associate up to 31<sup>st</sup> March 2024.

As required by AS 27, the aggregate amount of the assets, liabilities, income, expenses, contingent liabilities and commitments related to the Bank's interests in jointly controlled entities are disclosed as under:

(₹ in Crore)

| Particulars                                            | As at<br>31 <sup>st</sup> March 2025 | As at<br>31 <sup>st</sup> March 2024 |
|--------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Liabilities</b>                                     |                                      |                                      |
| Capital & Reserves                                     | 332.44                               | 244.45                               |
| Deposits                                               | 44.17                                | -                                    |
| Borrowings                                             | -                                    | -                                    |
| Other Liabilities & Provisions                         | 83.68                                | 52.47                                |
| <b>Total</b>                                           | <b>460.29</b>                        | <b>296.92</b>                        |
| <b>Assets</b>                                          |                                      |                                      |
| Cash and Balances with RBI                             | 10.35                                | -                                    |
| Balances with Banks and money at call and short notice | 199.29                               | 157.53                               |
| Investments                                            | 85.24                                | 22.01                                |
| Advances                                               | -                                    | -                                    |
| Fixed Assets                                           | 59.05                                | 32.85                                |
| Other Assets                                           | 106.36                               | 84.53                                |
| <b>Total</b>                                           | <b>460.29</b>                        | <b>296.92</b>                        |
| Capital Commitments                                    | -                                    | -                                    |
| Other Contingent Liabilities                           | 1.79                                 | 1.49                                 |

(₹ in Crore)

| Particulars                | As at<br>31 <sup>st</sup> March 2025 | As at<br>31 <sup>st</sup> March 2024 |
|----------------------------|--------------------------------------|--------------------------------------|
| <b>Income</b>              |                                      |                                      |
| Interest earned            | 13.90                                | 10.16                                |
| Other income               | 301.02                               | 218.30                               |
| <b>Total</b>               | <b>314.92</b>                        | <b>228.46</b>                        |
| <b>Expenditure</b>         |                                      |                                      |
| Interest expended          | 1.11                                 | -                                    |
| Operating expenses         | 226.11                               | 164.34                               |
| Provisions & contingencies | 27.43                                | 17.51                                |
| <b>Total</b>               | <b>254.65</b>                        | <b>181.85</b>                        |
| <b>Profit</b>              | <b>60.27</b>                         | <b>46.61</b>                         |

**i. Accounting Standard – 28 “Impairment of Assets”:**

In the opinion of the Bank’s Management, there is no indication of impairment to the non-monetary assets during the year.

**j. Accounting Standard – 29 “Provisions, Contingent Liabilities and Contingent Assets”:**

**Description of Contingent liabilities:**

| Sr. No. | Particulars                                                                                 | Brief Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Claims against the Bank not acknowledged as debts                                           | The Bank is a party to various proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows. The Bank is also a party to various taxation matters in respect of which appeals are pending.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 2       | Liability on partly paid-up investments/ Venture Funds                                      | This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 3       | Liability on account of outstanding forward exchange contracts                              | The Bank enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as Contingent Liabilities. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.                                                                                                                                                                                                                                                     |
| 4       | Guarantees given on behalf of constituents, acceptances, endorsements and other obligations | As a part of its commercial Banking activities, the Bank issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 5       | Other items for which the Bank is contingently liable                                       | The Bank enters into currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by the Bank on behalf of Associates & Subsidiaries, Bank's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities. |

The Contingent Liabilities mentioned above are dependent upon the outcome of Court/ arbitration/out of Court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be.

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### Movement of provisions against Contingent Liabilities:

The movement of provisions against contingent liabilities is given in the table below:

| (₹ in Crore)                                 |                 |                 |
|----------------------------------------------|-----------------|-----------------|
| Particulars                                  | Current Year    | Previous Year   |
| Opening balance                              | 2,603.68        | 3,109.95        |
| Additions during the year                    | 199.35          | 127.22          |
| Less: Amount utilised during the year        | 9.39            | 534.11          |
| Less: Unused amount reversed during the year | 273.05          | 99.38           |
| <b>Closing balance</b>                       | <b>2,520.59</b> | <b>2,603.68</b> |

### 18.15. ADDITIONAL DISCLOSURES

- a. Pursuant to Gazette Notification No. CG-DL-E-07042025-262329 dated 5<sup>th</sup> April 2025, the following Regional Rural Banks (RRBs), sponsored by the State Bank of India, have been amalgamated and the sponsor bank has been changed in respect of five RRBs with effect from 1<sup>st</sup> May 2025. The Bank's investments in these RRBs are included in its financial statements as at 31<sup>st</sup> March 2025.

| Sr. No. | Name of transferor RRBs            | Sponsor Bank of transferor RRBs | New Name after Amalgamation of RRBs | Sponsor Bank of transferee RRBs |
|---------|------------------------------------|---------------------------------|-------------------------------------|---------------------------------|
| 1       | Andhra Pradesh Grameena Vikas Bank | State Bank of India             | Andhra Pradesh Grameena Bank        | Union Bank of India             |
| 2       | Saurashtra Gramin Bank             | State Bank of India             | Gujarat Gramin Bank                 | Bank of Baroda                  |
| 3       | Ellaquai Dehati Bank               | State Bank of India             | Jammu and Kashmir Grameen Bank      | The Jammu and Kashmir Bank Ltd  |
| 4       | Madhyanchal Gramin Bank            | State Bank of India             | Madhya Pradesh Gramin Bank          | Bank of India                   |
| 5       | Utkal Grameen Bank                 | State Bank of India             | Odisha Grameen Bank                 | Indian Overseas Bank            |
| 6.      | Rajasthan Marudhara Gramin Bank    | State Bank of India             | Rajasthan Gramin Bank               | State Bank of India             |

- b. **Payment to Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006:**

There has been no case of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises.

- c. **Inter Office Accounts:**

Inter Office Accounts between branches, controlling offices, Local Head Offices and Corporate Centre establishments are being reconciled on an ongoing basis and there is no material effect on the profit and loss account of the current year.

- d. **Provision on accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC):**

As per RBI letters no. DBR.No.BP.15199/21.04.048/2016-17 and DBR. No. BP. 1906/21.04.048/ 2017-18 dated 23<sup>rd</sup> June 2017 and 28<sup>th</sup> August 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the bank is holding total provision of ₹91.41 Crore (100% of total outstanding) as on 31<sup>st</sup> March 2025 (Previous Year ₹3,783.03 Crore {100% of total outstanding})

- e. The Central Board has declared a dividend of ₹15.90 per share @1590% for the year ended 31<sup>st</sup> March 2025.

- f. Previous year figures have been regrouped/reclassified, wherever necessary, to conform to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines / Accounting Standards, previous year's figures have not been mentioned.

# State Bank of India

Cash Flow Statement for the year ended on 31<sup>st</sup> March 2025 (Standalone)

(000s omitted)

| Particulars                                                                                              | Year ended on<br>31.03.2025 | Year ended on<br>31.03.2024 |
|----------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>                                                              |                             |                             |
| Net Profit / (Loss) before Taxes                                                                         | 95271,26,85                 | 81782,96,36                 |
| <b>Adjustments for:</b>                                                                                  |                             |                             |
| Depreciation on Fixed Assets                                                                             | 3528,90,73                  | 3351,91,61                  |
| (Profit)/Loss on sale of Fixed Assets (Net)                                                              | 20,37,07                    | 33,20,20                    |
| (Profit)/Loss on revaluation of Investments (Net)                                                        | (5453,15,66)                | (4939,17,35)                |
| (Profit) on sale of Investments in Subsidiaries / Joint Ventures / Associates                            | (111,80,00)                 | -                           |
| Provision for Non Performing Assets                                                                      | 14418,33,00                 | 9517,62,67                  |
| Provision on Standard Assets                                                                             | 302,76,27                   | (1340,86,63)                |
| Provision on non-performing Investments                                                                  | 514,28,03                   | (593,18,23)                 |
| Other provisions including provision for contingencies                                                   | 72,52,38                    | (2669,36,48)                |
| Income from investment in Subsidiaries / Joint Ventures / Associates                                     | (1938,92,83)                | (1961,61,63)                |
| Interest charged on Capital Instruments                                                                  | 11672,33,98                 | 9550,46,11                  |
|                                                                                                          | 118296,89,82                | 92731,96,63                 |
| <b>Adjustments for:</b>                                                                                  |                             |                             |
| Increase/(Decrease) in Deposits                                                                          | 466112,75,90                | 492298,99,29                |
| Increase/ (Decrease) in Borrowings other than Capital Instruments                                        | (40026,98,43)               | 99757,95,17                 |
| (Increase)/ Decrease in Investments other than investments in Subsidiaries / Joint Ventures / Associates | (8609,26,92)                | (93931,55,71)               |
| (Increase)/ Decrease in Advances                                                                         | (473759,57,76)              | (514219,18,39)              |
| Increase/ (Decrease) in Other Liabilities                                                                | (4105,88,59)                | 15971,11,15                 |
| (Increase)/ Decrease in Other Assets                                                                     | 18705,41,58                 | (44811,28,24)               |
|                                                                                                          | 76613,35,60                 | 47797,99,90                 |
| Tax refund/ (Taxes paid )                                                                                | (30753,49,08)               | (28776,10,67)               |
| <b>NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES</b>                                           | <b>A</b>                    | <b>45859,86,52</b>          |
| <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>                                                              |                             |                             |
| (Purchase)/Sale of Investments in Subsidiaries / Joint Ventures / Associates                             | 1011,00,00                  | (1509,51,75)                |
| Profit on sale of Investments in Subsidiaries / Joint Ventures / Associates                              | 111,80,00                   | -                           |
| Income received on investment in Subsidiaries / Joint Ventures / Associates                              | 1977,28,64                  | 1961,61,63                  |
| (Increase)/Decrease in Fixed Assets                                                                      | (5112,33,74)                | (3505,01,66)                |
| <b>NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES</b>                                           | <b>B</b>                    | <b>(2012,25,10)</b>         |
|                                                                                                          |                             | <b>(3052,91,78)</b>         |

# State Bank of India

Cash Flow Statement for the year ended on 31<sup>st</sup> March 2025 (Standalone)

(000s omitted)

| Particulars                                                                                                                                                                                                                              | Year ended on<br>31.03.2025 | Year ended on<br>31.03.2024 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>CASH FLOW FROM FINANCING ACTIVITIES:</b>                                                                                                                                                                                              |                             |                             |
| Proceeds from issue of equity shares including share premium                                                                                                                                                                             | 12,88                       | -                           |
| Issue of Capital Instruments                                                                                                                                                                                                             | 20000,00,00                 | 18101,00,00                 |
| Redemption of Capital Instruments                                                                                                                                                                                                        | (13961,40,00)               | (13433,20,00)               |
| Interest paid on Capital Instruments                                                                                                                                                                                                     | (10138,62,86)               | (8438,35,77)                |
| Dividend paid                                                                                                                                                                                                                            | (12226,71,83)               | (10084,81,15)               |
| <b>NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES</b>                                                                                                                                                                           | <b>C (16326,61,81)</b>      | <b>(13855,36,92)</b>        |
| <b>EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE</b>                                                                                                                                                                             | <b>D 1906,70,30</b>         | <b>788,76,47</b>            |
| <b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C+D)</b>                                                                                                                                                                  | <b>29427,69,91</b>          | <b>2902,37,00</b>           |
| <b>CASH AND CASH EQUIVALENTS AS AT 1ST APRIL</b>                                                                                                                                                                                         | <b>310801,98,80</b>         | <b>307899,61,80</b>         |
| <b>CASH AND CASH EQUIVALENTS AS AT 31ST MARCH</b>                                                                                                                                                                                        | <b>340229,68,71</b>         | <b>310801,98,80</b>         |
| <b>Notes:</b>                                                                                                                                                                                                                            |                             |                             |
| 1. Components of Cash & Cash Equivalents as at:                                                                                                                                                                                          | <b>31.03.2025</b>           | <b>31.03.2024</b>           |
| Cash & Balance with RBI                                                                                                                                                                                                                  | 227217,49,40                | 225141,69,61                |
| Balances with Banks and money at call & short notice                                                                                                                                                                                     | 113012,19,31                | 85660,29,19                 |
|                                                                                                                                                                                                                                          | <b>340229,68,71</b>         | <b>310801,98,80</b>         |
| 2. Cash flow from operating activities is reported by using indirect method.                                                                                                                                                             |                             |                             |
| 3. As the impact of the RBI Master Direction dated 12 <sup>th</sup> September, 2023 for the period prior to 1 <sup>st</sup> April, 2025 (the transition date) is not ascertainable, corresponding figures for FY23-24 are not regrouped. |                             |                             |

**Shri Rama Mohan Rao Amara**  
Managing Director  
(International Banking, Global  
Markets & Technology)

**Shri Rana Ashutosh Kumar Singh**  
Managing Director  
(Risk, Compliance & SARG)

**Shri Vinay M. Tonse**  
Managing Director  
(Retail Business & Operations)

**Shri Ashwini Kumar Tewari**  
Managing Director  
(Corporate Banking & Subsidiaries)

## Directors:

Shri Ketan S. Vikamsey  
Shri Mrugank M. Paranjape  
Shri Rajesh Kumar Dubey  
Shri Dharmendra Singh Shekhawat  
Smt. Swati Gupta  
Shri Ajay Kumar

**Shri Challa Sreenivasulu Setty**  
Chairman

**Place: Mumbai**  
**Date: 3<sup>rd</sup> May 2025**

In terms of our Report of even date

**For Ravi Rajan & Co. LLP**  
Chartered Accountants  
Firm Regn. No.009073N/N500320

**For Gokhale & Sathe**  
Chartered Accountants  
Firm Regn. No.103264W

**For J L N U S & Co.**  
Chartered Accountants  
Firm Regn. No.101543W

**CA Sumit Kumar**  
Partner: M. No.512555  
UDIN: 25512555BMNPTK7915

**CA Rahul Joglekar**  
Partner: M. No. 129389  
UDIN: 25129389BMJIQN7579

**CA Shalabh Kumar Daga**  
Partner: M. No.401428  
UDIN: 25401428BMIAOK7673

**For Vinod Kumar & Associates**  
Chartered Accountants  
Firm Regn. No.002304N

**For R G N Price & Co.**  
Chartered Accountants  
Firm Regn. No.002785S

**For Rama K Gupta & Co.**  
Chartered Accountants  
Firm Regn. No.005005C

**CA Vinod Jain**  
Partner: M. No. 081263  
UDIN: 25081263BMOGSK4115

**CA P.M. Veeramani**  
Partner: M. No. 023933  
UDIN: 25023933BMLHSJ2613

**CA Ramakant Gupta**  
Partner: M. No.073853  
UDIN: 25073853BMLFKJ9856

**For Varma & Varma**  
Chartered Accountants  
Firm Regn. No.004532S

**For Gopal Sharma & Co.**  
Chartered Accountants  
Firm Regn. No.002803C

**For B C Jain & Co.**  
Chartered Accountants  
Firm Regn. No.001099C

**CA P R Prasanna Varma**  
Partner: M. No.025854  
UDIN: 25025854BMOBIT4570

**CA Abhishek Sharma**  
Partner: M. No.079224  
UDIN: 25079224BMLYFL7878

**CA Ranjeet Singh**  
Partner: M. No.073488  
UDIN: 25073488BMTDJM6371

**For O P Bagla & Co. LLP**  
Chartered Accountants  
Firm Regn. No.000018N/N500091

**For S G C O & Co. LLP**  
Chartered Accountants  
Firm Regn.No.112081W/W100184

**CA Rakesh Kumar**  
Partner: M. No.087537  
UDIN: 25087537BMOPBH2726

**CA Suresh Murarka**  
Partner: M. No.044739  
UDIN: 25044739BMLAKD2485

**Date : 3<sup>rd</sup> May 2025**  
**Place : Mumbai**



# Independent Auditors' Report

To

**The President of India**

## **REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS OF STATE BANK OF INDIA**

### Opinion

1. We have audited the accompanying Standalone Financial Statements of **State Bank of India** ("the Bank") which comprise the Balance Sheet as at March 31, 2025, the Profit and Loss Account and Cash Flow Statement for the year then ended, and Notes to Standalone Financial Statements including Significant Accounting Policies and other explanatory information in which are included financial results for the year ended on that date
  - i. The Central offices, 17 Local Head offices, Global Market Unit, International Business Group, Corporate Accounts Group (Central), Commercial Client Group (Central), Stressed Asset Resolution Group (Central), Central Accounts Offices and 20 branches audited by us and;
  - ii. 6150 Indian branches audited by respective Statutory Branch Auditors;
  - iii. 35 Foreign branches audited by respective Local Auditors;

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India (RBI). Also incorporated in the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows are the financial statement/ financial information from 19,400 Indian branches (including other accounting units) which have not been subjected to audit. These unaudited branches account for 23.47% of advances, 42.74% of deposits, 18.71% of interest income and 34.14% of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act, 1949 and State Bank of India Act, 1955 in the manner so required for the Bank and are in conformity with accounting principles generally accepted in India and:

- a) the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31<sup>st</sup> March, 2025;
- b) the Profit and Loss Account, read with the notes thereon shows a true balance of profit for the year ended on that date; and
- c) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing ("SAs") issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Standalone Financial Statements, prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the ICAI, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ("RBI") from time to time and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

3. Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

| Sr. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i   | <p>Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances (Refer Schedule 9 read with Note 3 of Schedule 17 to the financial statements)</p> <p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances.</p> <p>Advances constitute 62.36 per cent of the Bank's total assets. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non-performing Advances (NPA) except in case of foreign offices, classification of advances and provisioning thereof is made as per local regulations or RBI guidelines, whichever is more stringent. The Bank classifies these Advances based on IRAC norms as per its accounting policy No. 3.</p> <p>Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which identifies whether the advances are performing or non-performing.</p> <p>Further, NPA classification and calculation of provision (except in case of foreign offices) is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application Software and other processes.</p> <p>The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed.</p> <p>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgement involved in valuation of securities and calculation of provisions, it is a matter of high importance for the intended users of the Standalone Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.</p> | <p>Our audit approach towards advances with reference to the IRAC norms and other related circulars/directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of controls on sample basis,</p> <ol style="list-style-type: none"> <li>The accuracy of the data input in the system for income recognition, classification into performing and non performing Advances and provisioning in accordance with the IRAC norms in respect of the branches audited by us;</li> <li>Existence and effectiveness of monitoring mechanisms such as Internal Audit, Systems Audit, Credit Audit and Concurrent Audit as per the policies and procedures of the Bank;</li> <li>Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines/ Judicial pronouncements;</li> <li>We have relied on the reports of IT System Audit by IAD with respect to the business logics / parameters inbuilt in CBS and CCDP for tracking, identification and stamping of NPAs and provisioning in respect thereof.</li> <li>We tested the mapping of advances in the CCDP application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.</li> <li>We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection.</li> <li>In carrying out substantive procedures at the branches audited by us, we have examined large advances/ stressed advances while other advances have been examined on a sample basis including review of valuation reports of independent valuers provided by the Bank's management.</li> <li>We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision;</li> <li>Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication.</li> <li>Bank has laid down detailed Standard Operating Procedure to ensure control over processes. We have relied on these Standard Operating Procedures and have conducted our testing based on these Standard Operating Procedures.</li> </ol> |

# Independent Auditors' Report

| Sr. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ii  | <p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2.5 of Schedule 17 to the financial statements)</p> <p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security Receipts and other approved securities.</p> <p>Investments constitute 25.32 per cent of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against.</p> <p>The valuation of each category (type) of the aforesaid securities is to be done as per the valuation hierarchy prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FIMMDA/ FBIL rates, rates quoted on BSE/NSE, financial statements of unlisted companies, NAVs of mutual funds, AIFs, VCFs, Security Receipts etc. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of non-performing investments and provisioning related to investments.</p> | <p>Our audit approach towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs), provisioning / depreciation related to Investments. In particular;</p> <ol style="list-style-type: none"> <li>We understood and reviewed the methodology adopted by the Bank for classification of investments into various categories as per RBI guidelines;</li> <li>We understood and evaluated the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, provisioning /depreciation related to investments;</li> <li>We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;</li> <li>For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample;</li> <li>We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;</li> <li>We carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs;</li> <li>We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.</li> </ol> |
| iii | <p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 18.14(j) of Schedule 18 to the financial statements):</p> <p>There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>Our audit approach involved:</p> <ol style="list-style-type: none"> <li>Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances;</li> <li>Understanding the current status of the litigations/tax assessments including the status up to the date of auditor's report;</li> <li>Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;</li> <li>Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of our internal tax experts;</li> <li>Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and</li> <li>Verification of disclosures related to significant litigations and taxation matters.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| Sr. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| iv  | <p>Valuation of employees' defined benefit obligations:</p> <p>The Bank has recognised long-term defined benefit obligations for its employees on actuarial basis. Pension and gratuity obligations are funded by the Bank. Shortfall, if any, in Bank's Provident Fund Scheme is also provided for on actuarial basis. The Bank makes periodic contributions to fund administered by Trustees based on an independent external actuarial valuation carried out annually. Unfunded long-term defined benefit obligations are compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The cost of providing unfunded long-term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date.</p> <p>The actuarial valuations of employee benefit obligations are dependent on market conditions and assumptions made. The key audit matter specifically relates to the following key assumptions: discount rate, inflation expectations and life expectancy assumptions. The setting of these assumptions is complex and requires the exercise of significant management judgement with the support of third-party actuary.</p> | <p>We tested governance and controls in place over the methodologies and the significant assumptions, including those in relation to the use of management's experts. We examined the reports of external actuarial specialist and reviewed the key actuarial assumptions used, both financial and demographic, and considered the methodology applied to derive these assumptions including review of input data provided for actuarial valuations of employees' defined benefit obligations. Furthermore, we have examined the sensitivity analysis on the key assumptions in valuing the defined benefit obligations. We also evaluated the objectivity and competence of management's expert involved in the valuation of the defined benefit obligation. We assessed the appropriateness of the methodology used, and tested the accuracy of the calculation, to estimate the liability.</p> |

## Other Matters

4. We did not audit the financial statements / information of 6,185 branches, (including 35 foreign branches) included in the standalone financial statements of the Bank whose financial statements / financial information reflect total assets of ₹25,45,347.73 Cr as at 31<sup>st</sup> March 2025 and total revenue of ₹1,96,196 Cr for the year ended on that date, as considered in the standalone financial statements. These branches and processing centres cover 60% of advances, 57.22% of deposits and 71% of Non-performing assets as at 31<sup>st</sup> March 2025 and 37.42% of revenue for the year ended 31<sup>st</sup> March 2025. The financial statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based on the report of such branch auditors.

Our opinion is not modified in respect of the above matter.

## Information Other than the Standalone Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors is responsible for preparation of the Other Information. The Other Information comprises the Corporate Governance Report which we obtained at the time of issue of this report. The Other Information includes Directors Report with annexures (but does not include the Standalone Financial Statements and our Auditors' Report thereon), which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the Standalone Financial Statements does not cover the Other Information and Pillar 3 disclosures under the Basel III and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the Other Information that we obtained prior to the date of this Auditors' Report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this matter.

When we read the Directors' Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The Bank's Board of Directors is responsible with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India including the Accounting Standards

# Independent Auditors' Report

issued by ICAI to the extent applicable, and provisions of Section 29 of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and circulars and guidelines issued by RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the above mentioned Acts for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, Board of Directors is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

## Auditors' Responsibilities for the Audit of the Standalone Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement whether due to fraud or error and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence

that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical



requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

8. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949; and these give information as required to be given by virtue of the provisions of the State Bank of India Act, 1955 and regulations there under.

Subject to the limitations of the audit indicated in paragraphs 5 to 7 above and as required by the State Bank of India Act, 1955, and sub-section (3) of section 30 of the Banking Regulation Act, 1949, and subject also to the limitations of disclosure required therein we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
- b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- c) The financial statement/ financial information received from the offices and branches of the Bank have been found adequate for the purposes of our audit

9. As required by letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated 17<sup>th</sup> March, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated 19<sup>th</sup> May, 2020 issued by RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

- a) In our opinion, the aforesaid Standalone Financial Statements comply with the applicable Accounting

Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

- b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Bank.
- c) As the bank is not registered under the Companies Act, 2013 the disqualifications from being a director of the bank under sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank.
- d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
- e) Our Audit report on the adequacy and operating effectiveness of the Bank's Internal Financial Controls Over Financial Reporting with reference to standalone financial statements is given in **Annexure – A** to this report expressing an unmodified opinion on the Bank's Internal Financial Control over Financial Reporting with reference to the Standalone Financial Statements as at 31<sup>st</sup> March, 2025.

10. We further report that:

- a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper financial statement/financial information adequate for the purposes of our audit have been received from branches not visited by us;
- b) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the financial statement/financial information received from the branches not visited by us;
- c) The reports on the accounts of the branch offices audited by branch auditors of the Bank as per the provisions of the section 29 of the Banking Regulation Act, 1949, and the State Bank of India Act, 1955 have been sent to us and have been properly dealt with by us in preparing this report; and
- d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

In terms of our Report of even date

**For Ravi Rajan & Co. LLP**  
Chartered Accountants  
Firm Regn. No.009073N/N500320

**For Gokhale & Sathe**  
Chartered Accountants  
Firm Regn. No.103264W

**For J L N U S & Co.**  
Chartered Accountants  
Firm Regn. No.101543W

**CA Sumit Kumar**  
Partner: M. No.512555  
UDIN: 25512555BMNPTK7915

**CA Rahul Joglekar**  
Partner: M. No. 129389  
UDIN: 25129389BMJIQN7579

**CA Shalabh Kumar Daga**  
Partner: M. No.401428  
UDIN: 25401428BMIAOK7673

**For Vinod Kumar & Associates**  
Chartered Accountants  
Firm Regn. No.002304N

**For R G N Price & Co.**  
Chartered Accountants  
Firm Regn. No.002785S

**For Rama K Gupta & Co.**  
Chartered Accountants  
Firm Regn. No.005005C

**CA Vinod Jain**  
Partner: M. No. 081263  
UDIN: 25081263BMOGSK4115

**CA P.M. Veeramani**  
Partner: M. No. 023933  
UDIN: 25023933BMLHSJ2613

**CA Ramakant Gupta**  
Partner: M. No.073853  
UDIN: 25073853BMLFKJ9856

**For Varma & Varma**  
Chartered Accountants  
Firm Regn. No.004532S

**For Gopal Sharma & Co.**  
Chartered Accountants  
Firm Regn. No.002803C

**For B C Jain & Co.**  
Chartered Accountants  
Firm Regn. No.001099C

**CA P R Prasanna Varma**  
Partner: M. No.025854  
UDIN: 25025854BMOBIT4570

**CA Abhishek Sharma**  
Partner: M. No.079224  
UDIN: 25079224BMLYFL7878

**CA Ranjeet Singh**  
Partner: M. No.073488  
UDIN: 25073488BMTDJM6371

**For O P Bagla & Co. LLP**  
Chartered Accountants  
Firm Regn. No.000018N/N500091

**For S G C O & Co. LLP**  
Chartered Accountants  
Firm Regn.No.112081W/W100184

**CA Rakesh Kumar**  
Partner: M. No.087537  
UDIN: 25087537BMOPBH2726

**CA Suresh Murarka**  
Partner: M. No.044739  
UDIN: 25044739BMLAKD2485

**Date : 3<sup>rd</sup> May 2025**  
**Place : Mumbai**

# Annexure “A” to the Independent Auditors’ Report

(Referred to in paragraph 9(e) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting with reference to standalone financial statements as required by the Reserve Bank of India (the “RBI”) Letter DOS.ARG. No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the “RBI communication”)**

## Opinion

We have audited the internal financial controls over financial reporting with reference to standalone financial statements of **State Bank of India** (“the Bank”) as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting with reference to standalone financial statements of the Bank’s branches.

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the Other Matters paragraph below, the Bank has, in all material respects, adequate internal financial controls over financial reporting with reference to standalone financial statements and such internal financial controls over financial reporting with reference to standalone financial statements were operating effectively as at March 31, 2025, based on “the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI”.

## Management’s Responsibility for Internal Financial Controls

The Bank’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

## Auditors’ Responsibility

Our responsibility is to express an opinion on the Bank’s internal financial controls over financial reporting with reference to standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (the “ICAI”) and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls Over Financial Reporting with reference to standalone Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls over financial reporting with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls over financial reporting with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank’s internal financial controls over financial reporting with reference to Standalone financial statements.

## Meaning of Internal Financial Controls Over Financial Reporting with reference to Standalone Financial Statements

A Bank’s internal financial controls over financial reporting with reference to Standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank’s internal financial controls over financial reporting with reference to Standalone Financial statements includes those policies and procedures that



## Annexure “A” to the Independent Auditors’ Report

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to standalone Financial Statements, including the possibility of collusion or improper

management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to Standalone Financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to Standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Other Matters**

Our aforesaid report in so far as it relates to the operating effectiveness of internal financial controls over financial reporting with reference to Standalone financial statements of 1110 branches (inclusive 35 foreign branches) is based on the corresponding reports of the respective branch auditors of those branches/other units.

Our opinion is not modified in respect of this matter.

In terms of our Report of even date

**For Ravi Rajan & Co. LLP**  
Chartered Accountants  
Firm Regn. No.009073N/N500320

**For Gokhale & Sathe**  
Chartered Accountants  
Firm Regn. No.103264W

**For J L N U S & Co.**  
Chartered Accountants  
Firm Regn. No.101543W

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Partner: M. No.512555  
UDIN: 25512555BMNPTK7915

**CA Rahul Joglekar**  
Partner: M. No. 129389  
UDIN: 25129389BMJIQN7579

**CA Shalabh Kumar Daga**  
Partner: M. No.401428  
UDIN: 25401428BMIAOK7673

**For Vinod Kumar & Associates**  
Chartered Accountants  
Firm Regn. No.002304N

**For R G N Price & Co.**  
Chartered Accountants  
Firm Regn. No.002785S

**For Rama K Gupta & Co.**  
Chartered Accountants  
Firm Regn. No.005005C

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UDIN: 25081263BMOGSK4115

**CA P.M. Veeramani**  
Partner: M. No. 023933  
UDIN: 25023933BMLHSJ2613

**CA Ramakant Gupta**  
Partner: M. No.073853  
UDIN: 25073853BMLFKJ9856

**For Varma & Varma**  
Chartered Accountants  
Firm Regn. No.004532S

**For Gopal Sharma & Co.**  
Chartered Accountants  
Firm Regn. No.002803C

**For B C Jain & Co.**  
Chartered Accountants  
Firm Regn. No.001099C

**CA P R Prasanna Varma**  
Partner: M. No.025854  
UDIN: 25025854BMOBIT4570

**CA Abhishek Sharma**  
Partner: M. No.079224  
UDIN: 25079224BMLYFL7878

**CA Ranjeet Singh**  
Partner: M. No.073488  
UDIN: 25073488BMTDJM6371

**For O P Bagla & Co. LLP**  
Chartered Accountants  
Firm Regn. No.000018N/N500091

**For S G C O & Co. LLP**  
Chartered Accountants  
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**CA Rakesh Kumar**  
Partner: M. No.087537  
UDIN: 25087537BMOPBH2726

**CA Suresh Murarka**  
Partner: M. No.044739  
UDIN: 25044739BMLAKD2485

**Date : 3<sup>rd</sup> May 2025**  
**Place : Mumbai**

# State Bank of India

Consolidated Balance Sheet As At 31<sup>st</sup> March 2025

## CONSOLIDATED FINANCIALS

(000s omitted)

|                                                      | Schedule No. | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
|------------------------------------------------------|--------------|-----------------------------------------|------------------------------------------|
| <b>CAPITAL AND LIABILITIES</b>                       |              |                                         |                                          |
| Capital                                              | 1            | 892,46,20                               | 892,46,12                                |
| Reserves & Surplus                                   | 2            | 486144,29,67                            | 414046,71,03                             |
| Minority Interest                                    | 2A           | 18025,83,88                             | 15617,96,24                              |
| Deposits                                             | 3            | 5439898,01,91                           | 4966537,48,72                            |
| Borrowings                                           | 4            | 610857,24,50                            | 639609,50,29                             |
| Other Liabilities and Provisions                     | 5            | 758367,47,92                            | 697074,67,57                             |
| <b>TOTAL</b>                                         |              | <b>7314185,34,08</b>                    | <b>6733778,79,97</b>                     |
| <b>ASSETS</b>                                        |              |                                         |                                          |
| Cash and Balances with Reserve Bank of India         | 6            | 227485,15,69                            | 225356,33,61                             |
| Balances with Banks and Money at Call & Short Notice | 7            | 130447,78,59                            | 101215,96,74                             |
| Investments                                          | 8            | 2205601,10,83                           | 2110548,22,59                            |
| Advances                                             | 9            | 4250830,73,64                           | 3784272,67,05                            |
| Fixed Assets                                         | 10           | 46337,69,54                             | 44708,17,73                              |
| Other Assets                                         | 11           | 453482,85,79                            | 467677,42,25                             |
| <b>TOTAL</b>                                         |              | <b>7314185,34,08</b>                    | <b>6733778,79,97</b>                     |
| Contingent Liabilities                               | 12           | 2678111,54,07                           | 2397594,80,24                            |
| Bills for Collection                                 |              | 64472,56,17                             | 67823,22,53                              |
| Significant Accounting Policies                      | 17           |                                         |                                          |
| Notes to Accounts                                    | 18           |                                         |                                          |

Schedules referred to above form an integral part of the Balance Sheet

**Shri Rama Mohan Rao Amara**  
Managing Director  
(International Banking, Global  
Markets & Technology)

**Shri Rana Ashutosh Kumar Singh**  
Managing Director  
(Risk, Compliance & SARG)

**Shri Vinay M. Tonse**  
Managing Director  
(Retail Business & Operations)

**Shri Ashwini Kumar Tewari**  
Managing Director  
(Corporate Banking & Subsidiaries)

In terms of our Report of even date

**For Ravi Rajan & Co LLP**  
Chartered Accountants  
FRN 009073N / N500320

**Shri Challa Sreenivasulu Setty**  
Chairman

**CA Sumit Kumar**  
Partner  
M. No. 512555

**Place: Mumbai**  
**Date: 3<sup>rd</sup> May 2025**

## SCHEDULE 1 - CAPITAL

|                                                                                                                                                                                                    | (000s omitted)                          |                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                                                                                                                                                                    | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
| <b>Authorised Capital :</b>                                                                                                                                                                        |                                         |                                          |
| 5000,00,00,000 shares of ₹1 each<br>(Previous Year 5000,00,00,000 shares of ₹1 each)                                                                                                               | 5000,00,00                              | 5000,00,00                               |
| <b>Issued Capital :</b>                                                                                                                                                                            |                                         |                                          |
| 892,54,05,164 Equity shares of ₹1 each<br>(Previous Year 892,54,05,164 Equity shares of ₹1 each)                                                                                                   | 892,54,05                               | 892,54,05                                |
| <b>Subscribed and Paid up Capital :</b>                                                                                                                                                            |                                         |                                          |
| 892,46,20,034 Equity shares of ₹1 each<br>(Previous Year 892,46,11,934 Equity shares of ₹1 each)                                                                                                   | 892,46,20                               | 892,46,12                                |
| [The above includes 7,97,87,470 Equity shares of ₹1 each<br>(Previous Year 9,58,88,670 Equity shares of ₹1 each)<br>represented by 79,78,747 (Previous Year 95,88,867) Global Depository Receipts] |                                         |                                          |
| <b>TOTAL</b>                                                                                                                                                                                       | <b>892,46,20</b>                        | <b>892,46,12</b>                         |

## SCHEDULE 2 - RESERVES & SURPLUS

|                                                | (000s omitted)                          |                                          |
|------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
| <b>I. Statutory Reserves</b>                   |                                         |                                          |
| Opening Balance                                | 121026,38,63                            | 102309,50,32                             |
| Additions during the year                      | 21594,78,94                             | 18716,88,31                              |
| Deductions during the year                     | - 142621,17,57                          | - 121026,38,63                           |
| <b>II. Capital Reserves</b>                    |                                         |                                          |
| Opening Balance                                | 16328,83,71                             | 16002,62,67                              |
| Additions during the year                      | 2171,56,83                              | 326,21,04                                |
| Deductions during the year                     | - 18500,40,54                           | - 16328,83,71                            |
| <b>III. Share Premium</b>                      |                                         |                                          |
| Opening Balance                                | 79115,47,68                             | 79115,47,68                              |
| Additions during the year                      | 12,80                                   | -                                        |
| Deductions during the year                     | - 79115,60,48                           | - 79115,47,68                            |
| <b>IV. Investment Fluctuation Reserve</b>      |                                         |                                          |
| Opening Balance                                | 11522,30,12                             | 12271,38,17                              |
| Additions during the year                      | -                                       | -                                        |
| Deductions during the year                     | - 11522,30,12                           | 749,08,05 11522,30,12                    |
| <b>V. Foreign Currency Translation Reserve</b> |                                         |                                          |
| Opening Balance                                | 15107,70,30                             | 14331,74,49                              |
| Additions during the year                      | 2248,17,08                              | 861,03,95                                |
| Deductions during the year                     | 38 17355,87,00                          | 85,08,14 15107,70,30                     |
| <b>VI. Revenue and Other Reserves *</b>        |                                         |                                          |
| Opening Balance                                | 70972,20,91                             | 63982,58,04                              |
| Additions during the year #                    | 4106,54,04                              | 7346,49,41                               |
| Deductions during the year                     | 1931,60,52 73147,14,43                  | 356,86,54 70972,20,91                    |

## Schedules

forming part of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2025

(000s omitted)

|                                              | As at 31.03.2025<br>(Current Year)<br>₹ |                     | As at 31.03.2024<br>(Previous Year)<br>₹ |                     |
|----------------------------------------------|-----------------------------------------|---------------------|------------------------------------------|---------------------|
| <b>VII. Revaluation Reserve</b>              |                                         |                     |                                          |                     |
| Opening Balance                              | 27555,64,70                             |                     | 27756,25,90                              |                     |
| Additions during the year                    | -                                       |                     | -                                        |                     |
| Deductions during the year                   | 200,03,03                               | 27355,61,67         | 200,61,20                                | 27555,64,70         |
| <b>VIII. AFS Reserve</b>                     |                                         |                     |                                          |                     |
| Opening Balance                              | -                                       |                     | -                                        |                     |
| Additions during the year                    | 7586,97,89                              |                     | -                                        |                     |
| Deductions during the year                   | -                                       | 7586,97,89          | -                                        | -                   |
| <b>IX. Capital Reserve on Consolidation</b>  |                                         |                     |                                          |                     |
| Opening Balance                              | 398,97,05                               |                     | 345,98,14                                |                     |
| Additions during the year                    | 93,37,32                                |                     | 146,95,21                                |                     |
| Deductions during the year                   | -                                       | 492,34,37           | 93,96,30                                 | 398,97,05           |
| <b>X. Balance in Profit and Loss Account</b> |                                         | 108446,85,60        |                                          | 72019,17,93         |
| <b>TOTAL</b>                                 |                                         | <b>486144,29,67</b> |                                          | <b>414046,71,03</b> |

# net of consolidation adjustments

\* Note: Revenue and Other Reserves include:

- (i) ₹5,00,00 thousand (Previous Year ₹5,00,00 thousand) of Integration and Development Fund (maintained under Section 36 of the State Bank of India Act, 1955)
- (ii) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 ₹21064,32,76 thousand (Previous Year ₹19527,05,76 thousand)
- (iii) Investment Reserve Current Year Nil (Previous Year ₹31,42,84,35 thousand)
- (iv) Debenture Redemption Reserve ₹9,66,67 thousand (Previous Year ₹4,83,74 thousand)

## SCHEDULE 2A - MINORITY INTEREST

(000s omitted)

|                                                       | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
|-------------------------------------------------------|-----------------------------------------|------------------------------------------|
| Minority Interest at the beginning of the year        | 15617,96,24                             | 12836,61,94                              |
| Subsequent increase/decrease during the year          | 2407,87,64                              | 2781,34,30                               |
| <b>Minority Interest on the date of balance sheet</b> | <b>18025,83,88</b>                      | <b>15617,96,24</b>                       |

## SCHEDULE 3 - DEPOSITS

(000s omitted)

|                                             | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
|---------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>A. I. Demand Deposits</b>                |                                         |                                          |
| (i) From Banks                              | 4327,57,21                              | 5745,87,30                               |
| (ii) From Others                            | 383920,22,99                            | 303531,70,50                             |
| <b>II. Savings Bank Deposits</b>            | 1720688,78,27                           | 1673652,24,52                            |
| <b>III. Term Deposits</b>                   |                                         |                                          |
| (i) From Banks                              | 14301,75,30                             | 5107,34,24                               |
| (ii) From Others                            | 3316659,68,14                           | 2978500,32,16                            |
| <b>TOTAL</b>                                | <b>5439898,01,91</b>                    | <b>4966537,48,72</b>                     |
| <b>B. (i) Deposits of Branches in India</b> | 5161629,67,48                           | 4718596,72,73                            |
| (ii) Deposits of Branches outside India     | 278268,34,43                            | 247940,75,99                             |
| <b>TOTAL</b>                                | <b>5439898,01,91</b>                    | <b>4966537,48,72</b>                     |

Deposits include Lien marked deposits of ₹449032,97,21 thousand (Previous Year ₹421542,10,63 thousand)

## SCHEDULE 4 - BORROWINGS

(000s omitted)

|                                                          | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
|----------------------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>I. Borrowings in India</b>                            |                                         |                                          |
| (i) Reserve Bank of India                                | 20524,90,00                             | 98806,56,00                              |
| (ii) Other Banks                                         | 23858,58,76                             | 18549,19,38                              |
| (iii) Other Institutions and Agencies                    | 19714,18,77                             | 74966,15,25                              |
| (iv) Bonds & Debentures (Other than Capital Instruments) | 69958,00,00                             | 42703,00,00                              |
| (v) Capital Instruments:                                 |                                         |                                          |
| a. Innovative Perpetual Debt Instruments (IPDI)          | 48708,00,00                             | 50626,40,00                              |
| b. Subordinated Debt                                     | 54011,00,00                             | 102719,00,00                             |
| <b>TOTAL</b>                                             | <b>236774,67,53</b>                     | <b>331335,30,63</b>                      |
| <b>II. Borrowings outside India</b>                      |                                         |                                          |
| (i) Borrowings and Refinance outside India               | 373716,71,12                            | 307895,83,81                             |
| (ii) Capital Instruments:                                |                                         |                                          |
| a. Innovative Perpetual Debt Instruments (IPDI)          | -                                       | -                                        |
| b. Subordinated Debt                                     | 365,85,85                               | 378,35,85                                |
| <b>TOTAL</b>                                             | <b>374082,56,97</b>                     | <b>308274,19,66</b>                      |
| <b>GRAND TOTAL</b>                                       | <b>610857,24,50</b>                     | <b>639609,50,29</b>                      |
| Secured Borrowings included in I & II above              | 86460,22,08                             | 209699,57,92                             |

## Schedules

forming part of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2025

### SCHEDULE 5 - OTHER LIABILITIES & PROVISIONS

|                                                                 | (000s omitted)                          |                                          |
|-----------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                                 | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
| I. Bills payable                                                | 27793,09,49                             | 15700,29,22                              |
| II. Inter bank adjustments (Net)                                | -                                       | 491,12,80                                |
| III. Inter office adjustments (Net)                             | -                                       | 1126,59,56                               |
| IV. Interest accrued                                            | 39032,33,00                             | 32861,61,48                              |
| V. Deferred Tax Liabilities (Net)                               | 455,43,71                               | 23,20,84                                 |
| VI. Liabilities relating to Policyholders in Insurance Business | 452581,55,89                            | 392280,43,19                             |
| VII. Provision for Standard Assets                              | 25200,35,15                             | 24851,72,15                              |
| VIII. Derivative Liabilities                                    | 19846,36,84                             | 7112,63,17                               |
| IX. Others (including provisions)                               | 193458,33,84                            | 222627,05,16                             |
| <b>TOTAL</b>                                                    | <b>758367,47,92</b>                     | <b>697074,67,57</b>                      |

### SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

|                                                             | (000s omitted)                          |                                          |
|-------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                             | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
| I. Cash in hand (including foreign currency notes and gold) | 18591,46,73                             | 18589,64,78                              |
| II. Balance with Reserve Bank of India                      |                                         |                                          |
| (i) In Current Account                                      | 208839,68,96                            | 206747,68,83                             |
| (ii) In Other Accounts                                      | 54,00,00                                | 19,00,00                                 |
| <b>TOTAL</b>                                                | <b>227485,15,69</b>                     | <b>225356,33,61</b>                      |

### SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

|                                      | (000s omitted)                          |                                          |
|--------------------------------------|-----------------------------------------|------------------------------------------|
|                                      | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
| <b>I. In India</b>                   |                                         |                                          |
| (i) Balances with banks              |                                         |                                          |
| (a) In Current Account               | 2926,29,32                              | 2510,86,89                               |
| (b) In Other Deposit Accounts        | 2264,52,21                              | 5211,21,81                               |
| (ii) Money at call and short notice  |                                         |                                          |
| (a) With banks                       | -                                       | 2550,00,00                               |
| (b) With Other Institutions          | 7724,60,70                              | 26988,48,58                              |
| <b>TOTAL</b>                         | <b>12915,42,23</b>                      | <b>37260,57,28</b>                       |
| <b>II. Outside India</b>             |                                         |                                          |
| (i) In Current Account               | 93887,78,25                             | 45740,69,59                              |
| (ii) In Other Deposit Accounts       | 1207,98,28                              | 2279,82,71                               |
| (iii) Money at call and short notice | 22436,59,83                             | 15934,87,16                              |
| <b>TOTAL</b>                         | <b>117532,36,36</b>                     | <b>63955,39,46</b>                       |
| <b>GRAND TOTAL (I and II)</b>        | <b>130447,78,59</b>                     | <b>101215,96,74</b>                      |

## SCHEDULE 8 - INVESTMENTS

(000s omitted)

|                                                                                | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
|--------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>I. Investments in India in:</b>                                             |                                         |                                          |
| (i) Government Securities                                                      | 1499399,38,25                           | 1515043,86,92                            |
| (ii) Other approved securities                                                 | 28691,90,55                             | 35581,58,12                              |
| (iii) Shares                                                                   | 200680,41,16                            | 149287,03,20                             |
| (iv) Debentures and Bonds                                                      | 280695,89,87                            | 260838,19,99                             |
| (v) Subsidiary, Joint Venture and Associates #                                 | 17669,44,49                             | 17498,56,00                              |
| (vi) Others (Units of Mutual Funds etc.)                                       | 98334,52,92                             | 60206,81,47                              |
| <b>TOTAL</b>                                                                   | <b>2125471,57,24</b>                    | <b>2038456,05,70</b>                     |
| <b>II. Investments outside India in:</b>                                       |                                         |                                          |
| (i) Government Securities (including local authorities)                        | 41583,03,32                             | 39158,82,63                              |
| (ii) Associates #                                                              | 203,05,79                               | 177,01,73                                |
| (iii) Other Investments (Shares, Debentures, etc.)                             | 38343,44,48                             | 32756,32,53                              |
| <b>TOTAL</b>                                                                   | <b>80129,53,59</b>                      | <b>72092,16,89</b>                       |
| <b>GRAND TOTAL (I and II)</b>                                                  | <b>2205601,10,83</b>                    | <b>2110548,22,59</b>                     |
| <b>III. Investments in India:</b>                                              |                                         |                                          |
| (i) Gross Value of Investments                                                 | 2129446,12,69                           | 2048553,64,07                            |
| (ii) Less: Aggregate of Provisions / Depreciation                              | 3974,55,45                              | 10097,58,37                              |
| (iii) Net Investments (vide I above)                                           | <b>2125471,57,24</b>                    | <b>2038456,05,70</b>                     |
| <b>IV. Investments outside India:</b>                                          |                                         |                                          |
| (i) Gross Value of Investments                                                 | 80152,56,94                             | 73239,42,67                              |
| (ii) Less: Aggregate of Provisions / Depreciation                              | 23,03,35                                | 1147,25,78                               |
| (iii) Net Investments (vide II above)                                          | <b>80129,53,59</b>                      | <b>72092,16,89</b>                       |
| <b>GRAND TOTAL (III and IV)</b>                                                | <b>2205601,10,83</b>                    | <b>2110548,22,59</b>                     |
| <b># Investment in Associates (In India and Outside India)</b>                 |                                         |                                          |
| Equity Investment in Associates                                                | 10283,52,70                             | 10185,83,24                              |
| Add : Goodwill on acquisition of Associates                                    | 95,83,73                                | 172,55,25                                |
| Less : Capital reserve on acquisition of Associates                            | 1047,68,27                              | 937,59,94                                |
| Less : Provision for diminution                                                | 9,09,68                                 | -                                        |
| Cost of Investment in Associates                                               | <b>9322,58,48</b>                       | <b>9420,78,55</b>                        |
| Add : Post-acquisition profit/(loss) and Reserve of Associates (Equity Method) | 8522,29,00                              | 8250,79,18                               |
| <b>TOTAL</b>                                                                   | <b>17844,87,48</b>                      | <b>17671,57,73</b>                       |



## Schedules

forming part of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2025

### SCHEDULE 9 - ADVANCES

| (000s omitted)                                                                  |                                         |                                          |
|---------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                                                 | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
| <b>A.</b> (i) Bills purchased and discounted                                    | 246928,35,68                            | 220192,41,93                             |
| (ii) Cash credits, overdrafts and loans repayable on demand                     | 1220238,72,33                           | 1040784,73,28                            |
| (iii) Term loans                                                                | 2783663,65,63                           | 2523295,51,84                            |
| <b>TOTAL</b>                                                                    | <b>4250830,73,64</b>                    | <b>3784272,67,05</b>                     |
| <b>B.</b> (i) Secured by tangible assets (includes advances against Book Debts) | 2764589,77,55                           | 2418590,80,98                            |
| (ii) Covered by Bank / Government Guarantees                                    | 221144,82,12                            | 193378,45,27                             |
| (iii) Unsecured                                                                 | 1265096,13,97                           | 1172303,40,80                            |
| <b>TOTAL</b>                                                                    | <b>4250830,73,64</b>                    | <b>3784272,67,05</b>                     |
| <b>C. (I) Advances in India</b>                                                 |                                         |                                          |
| (i) Priority Sector                                                             | 907348,31,61                            | 804184,20,86                             |
| (ii) Public Sector                                                              | 218330,26,43                            | 252633,74,04                             |
| (iii) Banks                                                                     | 4334,71,71                              | 592,13,56                                |
| (iv) Others                                                                     | 2452536,96,24                           | 2143154,28,50                            |
| <b>TOTAL</b>                                                                    | <b>3582550,25,99</b>                    | <b>3200564,36,96</b>                     |
| <b>(II) Advances outside India</b>                                              |                                         |                                          |
| (i) Due from banks                                                              | 205379,21,72                            | 181073,38,29                             |
| (ii) Due from others                                                            |                                         |                                          |
| (a) Bills purchased and discounted                                              | 39028,86,34                             | 42424,38,12                              |
| (b) Syndicated loans                                                            | 262028,45,16                            | 230369,08,55                             |
| (c) Others                                                                      | 161843,94,43                            | 129841,45,13                             |
| <b>TOTAL</b>                                                                    | <b>668280,47,65</b>                     | <b>583708,30,09</b>                      |
| <b>GRAND TOTAL [C-I &amp; C-II]</b>                                             | <b>4250830,73,64</b>                    | <b>3784272,67,05</b>                     |

## SCHEDULE 10 - FIXED ASSETS

(000s omitted)

|                                                                                  | As at 31.03.2025<br>(Current Year)<br>₹ |             | As at 31.03.2024<br>(Previous Year)<br>₹ |             |
|----------------------------------------------------------------------------------|-----------------------------------------|-------------|------------------------------------------|-------------|
| <b>I. Premises (including Revalued Premises)</b>                                 |                                         |             |                                          |             |
| At cost/revalued as at 31 <sup>st</sup> March of the preceding year              | 36023,90,92                             |             | 35945,97,65                              |             |
| Additions:                                                                       |                                         |             |                                          |             |
| - during the year                                                                | 390,21,20                               |             | 82,62,19                                 |             |
| - for Revaluation                                                                | -                                       |             | -                                        |             |
| Deductions:                                                                      |                                         |             |                                          |             |
| - during the year                                                                | 58,81                                   |             | 4,10,74                                  |             |
| - for Revaluation                                                                | -                                       |             | 58,18                                    |             |
| Depreciation to date:                                                            |                                         |             |                                          |             |
| - on cost                                                                        | 1598,53,00                              |             | 1456,84,39                               |             |
| - on Revaluation                                                                 | 1628,92,58                              | 33186,07,73 | 1428,89,56                               | 33138,16,97 |
| <b>IA. Premises under construction</b>                                           | 532,81,22                               |             | 528,43,41                                |             |
| <b>II. Other Fixed Assets (including furniture and fixtures)</b>                 |                                         |             |                                          |             |
| At cost as at 31 <sup>st</sup> March of the preceding year                       | 46975,33,50                             |             | 44177,26,23                              |             |
| Additions during the year                                                        | 5445,37,96                              |             | 3832,00,94                               |             |
| Deductions during the year                                                       | 1106,34,92                              |             | 1033,93,67                               |             |
| Depreciation to date                                                             | 38907,42,59                             | 12406,93,95 | 36342,87,53                              | 10632,45,97 |
| <b>IIA. Leased Assets</b>                                                        |                                         |             |                                          |             |
| At cost as at 31 <sup>st</sup> March of the preceding year                       | 621,77,92                               |             | 505,90,27                                |             |
| Additions during the year                                                        | 11,63,24                                |             | 136,00,71                                |             |
| Deductions during the year                                                       | 239,55,23                               |             | 20,13,06                                 |             |
| Depreciation to date (including provisions)                                      | 223,39,58                               |             | 255,11,77                                |             |
|                                                                                  | 170,46,35                               |             | 366,66,15                                |             |
| Less : Lease Adjustment Account                                                  | -                                       | 170,46,35   | -                                        | 366,66,15   |
| <b>TOTAL (I, IA,II and IIA)</b>                                                  | <b>46296,29,25</b>                      |             | <b>44665,72,50</b>                       |             |
| <b>III. Capital-Work-in progress (including Leased Assets) net of Provisions</b> | 41,40,29                                |             | 42,45,23                                 |             |
| <b>TOTAL (I, IA, II, IIA and III)</b>                                            | <b>46337,69,54</b>                      |             | <b>44708,17,73</b>                       |             |

## Schedules

forming part of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2025

### SCHEDULE 11 - OTHER ASSETS

|                                                            | (000s omitted)                          |                                          |
|------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                            | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
| I. Inter office adjustments (Net)                          | 8184,06,97                              | -                                        |
| II. Inter bank adjustments (Net)                           | 292,74,90                               | -                                        |
| III. Interest accrued                                      | 52323,46,66                             | 50841,18,94                              |
| IV. Tax paid in advance / tax deducted at source           | 31785,15,76                             | 23989,77,60                              |
| V. Deferred Tax Assets (Net)                               | 10042,14,92                             | 12140,69,81                              |
| VI. Stationery and Stamps                                  | 88,05,01                                | 64,03,68                                 |
| VII. Non-banking assets acquired in satisfaction of claims | 23,22,28                                | 5,34,51                                  |
| VIII. Deposits placed with NABARD/SIDBI/NHB                | 262916,23,60                            | 270995,47,35                             |
| IX. Derivative Assets                                      | 17802,81,83                             | 3767,45,61                               |
| X. Goodwill on consolidation                               | 1419,67,84                              | 1405,96,08                               |
| XI. Others                                                 | 68605,26,02                             | 104467,48,67                             |
| <b>TOTAL</b>                                               | <b>453482,85,79</b>                     | <b>467677,42,25</b>                      |

### SCHEDULE 12 - CONTINGENT LIABILITIES

|                                                                     | (000s omitted)                          |                                          |
|---------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                                     | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
| I. Claims against the group not acknowledged as debts               | 118423,54,51                            | 118414,15,26                             |
| II. Liability for partly paid investments / Venture Funds           | 2870,35,76                              | 2850,31,79                               |
| III. Liability on account of outstanding forward exchange contracts | 1456672,59,23                           | 1350960,66,04                            |
| IV. Guarantees given on behalf of constituents                      |                                         |                                          |
| (a) In India                                                        | 219081,67,52                            | 190051,98,73                             |
| (b) Outside India                                                   | 102028,45,46                            | 94832,38,44                              |
| V. Acceptances, endorsements and other obligations                  | 158077,83,89                            | 158624,60,01                             |
| VI. Other items for which the group is contingently liable          | 620957,07,70                            | 481860,69,97                             |
| <b>TOTAL #</b>                                                      | <b>2678111,54,07</b>                    | <b>2397594,80,24</b>                     |

# ₹1,78,75 thousands (Previous Year ₹1,49,15 thousands) pertains to share in contingent liability of Joint Ventures

# State Bank of India

Consolidated Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

(000s omitted)

|                                                                                                     | Schedule No. | As at 31.03.2025<br>(Current Year)<br>₹ | As at 31.03.2024<br>(Previous Year)<br>₹ |
|-----------------------------------------------------------------------------------------------------|--------------|-----------------------------------------|------------------------------------------|
| <b>I. INCOME</b>                                                                                    |              |                                         |                                          |
| Interest earned                                                                                     | 13           | 490937,78,51                            | 439188,51,23                             |
| Other Income                                                                                        | 14           | 172405,53,23                            | 155386,39,22                             |
| <b>TOTAL</b>                                                                                        |              | <b>663343,31,74</b>                     | <b>594574,90,45</b>                      |
| <b>II. EXPENDITURE</b>                                                                              |              |                                         |                                          |
| Interest expended                                                                                   | 15           | 300943,33,53                            | 259736,04,81                             |
| Operating expenses                                                                                  | 16           | 236573,51,86                            | 235893,83,88                             |
| Provisions and contingencies                                                                        |              | 46809,30,91                             | 30806,75,67                              |
| <b>TOTAL</b>                                                                                        |              | <b>584326,16,30</b>                     | <b>526436,64,36</b>                      |
| <b>III. PROFIT</b>                                                                                  |              |                                         |                                          |
| Net Profit for the year (before adjustment for Share in Profit of Associates and Minority Interest) |              | 79017,15,44                             | 68138,26,09                              |
| Add: Share in Profit of Associates                                                                  |              | 1505,47,09                              | 1405,15,43                               |
| Less: Minority Interest                                                                             |              | 2961,28,82                              | 2458,74,91                               |
| Net Profit for the Group                                                                            |              | 77561,33,71                             | 67084,66,61                              |
| Add Profit Brought forward                                                                          |              | 72019,17,93                             | 41923,30,28                              |
| <b>TOTAL</b>                                                                                        |              | <b>149580,51,64</b>                     | <b>109007,96,89</b>                      |
| <b>IV. APPROPRIATIONS</b>                                                                           |              |                                         |                                          |
| Transfer to Statutory Reserve                                                                       |              | 21594,78,94                             | 18716,88,31                              |
| Transfer to Capital Reserve                                                                         |              | 2171,56,83                              | 326,21,04                                |
| Transfer to / (from) Investment Fluctuation Reserve                                                 |              | -                                       | (749,08,05)                              |
| Transfer to Revenue and Other Reserves                                                              |              | 3210,87,06                              | 6456,91,82                               |
| Dividend for the current year                                                                       |              | 14190,14,59                             | 12226,71,83                              |
| Tax on Dividend                                                                                     |              | 3052,34                                 | 1114,01                                  |
| Balance carried over to Balance Sheet                                                               |              | 108382,61,88                            | 72019,17,93                              |
| <b>TOTAL</b>                                                                                        |              | <b>149580,51,64</b>                     | <b>109007,96,89</b>                      |
| <b>V. EARNINGS PER EQUITY SHARE (Face value ₹1 per share)</b>                                       |              |                                         |                                          |
| Basic (in ₹)                                                                                        |              | ₹86.91                                  | ₹75.17                                   |
| Diluted (in ₹)                                                                                      |              | ₹86.91                                  | ₹75.17                                   |
| Significant Accounting Policies                                                                     | 17           |                                         |                                          |
| Notes to Accounts                                                                                   | 18           |                                         |                                          |

Schedules referred to above form an integral part of the Profit and Loss Account

**Shri Rama Mohan Rao Amara**  
Managing Director  
(International Banking, Global  
Markets & Technology)

**Shri Rana Ashutosh Kumar Singh**  
Managing Director  
(Risk, Compliance & SARG)

**Shri Vinay M. Tonse**  
Managing Director  
(Retail Business & Operations)

**Shri Ashwini Kumar Tewari**  
Managing Director  
(Corporate Banking & Subsidiaries)

In terms of our Report of even date

**For Ravi Rajan & Co LLP**  
Chartered Accountants  
FRN 009073N / N500320

**Shri Challa Sreenivasulu Setty**  
Chairman

**CA Sumit Kumar**  
Partner  
M. No. 512555

**Place: Mumbai**  
**Date: 3<sup>rd</sup> May 2025**

## Schedules

forming part of the Consolidated Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### SCHEDULE 13 - INTEREST EARNED

(000s omitted)

|                                                                                 | Year ended<br>31.03.2025<br>(Current Year)<br>₹ | Year ended<br>31.03.2024<br>(Previous Year)<br>₹ |
|---------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Interest / discount on advances/ bills                                       | 340976,70,03                                    | 299055,72,12                                     |
| II. Income on Investments                                                       | 131143,82,60                                    | 122378,19,49                                     |
| III. Interest on balances with Reserve Bank of India and other inter-bank funds | 6237,59,92                                      | 5941,79,87                                       |
| IV. Others                                                                      | 12579,65,96                                     | 11812,79,75                                      |
| <b>TOTAL</b>                                                                    | <b>490937,78,51</b>                             | <b>439188,51,23</b>                              |

### SCHEDULE 14 - OTHER INCOME

(000s omitted)

|                                                                                              | Year ended<br>31.03.2025<br>(Current Year)<br>₹ | Year ended<br>31.03.2024<br>(Previous Year)<br>₹ |
|----------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Commission, exchange and brokerage                                                        | 31356,51,61                                     | 28349,70,13                                      |
| II. Profit / (Loss) on sale of investments (Net)                                             | 12279,64,29                                     | 8890,08,56                                       |
| III. Profit / (Loss) on revaluation of investments (Net)                                     | 5179,37,94                                      | 4892,78,72                                       |
| IV. Profit / (Loss) on sale of land, building and other assets including leased assets (Net) | (16,22,93)                                      | (25,20,54)                                       |
| V. Profit / (Loss) on exchange transactions/derivative transactions (Net)                    | 4461,40,28                                      | 1785,87,15                                       |
| VI. Dividends from Associates in India/ abroad                                               | 7,71,00                                         | 5,57,19                                          |
| VII. Credit Card membership/ service fees                                                    | 7681,96,95                                      | 8263,80,99                                       |
| VIII. Insurance Premium Income (Net)                                                         | 91689,61,21                                     | 86810,17,75                                      |
| IX. Recoveries made in Written-off Accounts                                                  | 8578,36,09                                      | 7443,72,73                                       |
| X. Miscellaneous Income                                                                      | 11187,16,79                                     | 8969,86,54                                       |
| <b>TOTAL</b>                                                                                 | <b>172405,53,23</b>                             | <b>155386,39,22</b>                              |

### SCHEDULE 15 - INTEREST EXPENDED

(000s omitted)

|                                                              | Year ended<br>31.03.2025<br>(Current Year)<br>₹ | Year ended<br>31.03.2024<br>(Previous Year)<br>₹ |
|--------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Interest on Deposits                                      | 259228,11,91                                    | 223278,71,35                                     |
| II. Interest on Reserve Bank of India/ Inter-bank borrowings | 25948,48,98                                     | 22864,56,43                                      |
| III. Others                                                  | 15766,72,64                                     | 13592,77,03                                      |
| <b>TOTAL</b>                                                 | <b>300943,33,53</b>                             | <b>259736,04,81</b>                              |

## SCHEDULE 16 - OPERATING EXPENSES

(000s omitted)

|                                                                                 | Year ended<br>31.03.2025<br>(Current Year)<br>₹ | Year ended<br>31.03.2024<br>(Previous Year)<br>₹ |
|---------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Payments to and provisions for employees #                                   | 70395,70,16                                     | 83671,18,67                                      |
| II. Rent, taxes and lighting                                                    | 6792,57,12                                      | 6546,16,69                                       |
| III. Printing and Stationery                                                    | 986,35,77                                       | 922,53,21                                        |
| IV. Advertisement and publicity                                                 | 3741,97,92                                      | 3449,09,95                                       |
| V. (a) Depreciation on Fixed Assets (other than Leased Assets)                  | 3956,81,56                                      | 3763,21,21                                       |
| (b) Depreciation on Leased Assets                                               | 34,66,11                                        | 85,91,24                                         |
| VI. Directors' fees, allowances and expenses                                    | 15,22,70                                        | 15,41,95                                         |
| VII. Auditors' fees and expenses (including branch auditors' fees and expenses) | 335,66,39                                       | 314,05,03                                        |
| VIII. Law charges                                                               | 706,27,58                                       | 659,53,66                                        |
| IX. Postages, Telegrams, Telephones, etc.                                       | 1036,68,05                                      | 890,52,21                                        |
| X. Repairs and maintenance                                                      | 1553,59,79                                      | 1448,82,92                                       |
| XI. Insurance                                                                   | 8039,57,23                                      | 5389,01,01                                       |
| XII. Other Operating Expenses relating to Credit Card Operations                | 3831,55,49                                      | 4410,94,08                                       |
| XIII. Other Operating Expenses relating to Insurance Business                   | 103654,28,92                                    | 96699,67,92                                      |
| XIV. Other Expenditure                                                          | 31492,57,07                                     | 27627,74,13                                      |
| <b>TOTAL</b>                                                                    | <b>236573,51,86</b>                             | <b>235893,83,88</b>                              |

# Payment to and provisions for employees includes exceptional items for provision Nil for Current year (Previous year ₹7100,00,00 thousand)

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forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

## SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES

### A. Background:

State Bank of India ('SBI' or 'the Bank') is a banking and financial services statutory body engaged in providing a wide range of products and services to individuals, commercial enterprises, large corporates, public bodies, and institutional customers. The Bank is governed by the Banking Regulation Act, 1949 and the State Bank of India Act, 1955.

State Bank of India Group ('SBI Group' or 'the Group') consists of SBI, 27 Subsidiaries, 8 Joint ventures and 18 Associates.

Following are the Significant Accounting Policies of SBI Group i.e. the specific accounting principles and methods of applying these principles in the preparation and presentation of consolidated financial statements of SBI.

### B. Basis of Preparation:

The Bank's consolidated financial statements have been prepared under the historical cost convention, with fundamental accounting assumptions of going concern, consistency, and accrual, unless otherwise stated. They conform to Generally Accepted Accounting Principles in India (Indian GAAP), comprising of regulatory norms, directions & guidelines prescribed by the Reserve Bank of India (RBI), statutory guidelines of the State Bank of India Act, 1955, the Banking Regulations Act, 1949, Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA), SEBI (Mutual Funds) Regulations, 1996, Companies Act 2013, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and the accounting practices prevalent in India.

In the case of foreign entities, Generally Accepted Accounting Principles as applicable to the foreign entities are followed.

These consolidated financial statements have been prepared in accordance with requirements under the Third Schedule of the Banking Regulation Act, 1949.

### C. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes

that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to the accounting estimates is recognised prospectively from the period of change unless otherwise stated.

### D. Basis of Consolidation:

#### 1. Consolidated financial statements of the SBI Group includes:

- a. Financial statements of State Bank of India (Parent).
- b. Line by line aggregation of each item of asset/liability/income/expense of the subsidiaries with the respective item of the Parent. Elimination of all material intra-group balances/transactions and resulting unrealised gains and adjustments required for non-uniform accounting policies as per AS 21 "Consolidated Financial Statements" issued by the ICAI.
- c. Proportionate share of asset/liability/income/expense of the joint venture entities are consolidated as per AS 27 "Financial Reporting of Interests in Joint Ventures" issued by the ICAI.
- d. Accounting for investment in 'Associates' under the 'Equity Method' as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI.

2. The difference between cost to the group of its investment in the subsidiary entities and the group's portion of the equity of the subsidiaries is recognised in the financial statements as goodwill / capital reserve.

3. Minority interest in the net assets of the consolidated subsidiaries consists of:

- a. The amount of equity attributable to the minority shareholders at the date on which the investment in the equity shares of the subsidiary is made, and
- b. The minority share of movements in revenue reserves/loss (equity) since the date the parent-subsidiary relationship came into existence.

### E. Significant Accounting Policies:

#### 1. Revenue recognition:

- 1.1 Income and expenditure are recognised in the Profit and Loss Account on accrual basis, unless otherwise stated.

- 1.2 Income from Non-Performing Assets (NPAs) including Non-Performing investments is recognised in the Profit and Loss Account on realisation basis.
- 1.3 All commission and fee income are recognised on realisation basis, except commission income from Letters of Credit (LC), Bank Guarantees (BG), Deferred Payment Guarantees, Government Business, incentive on UPI transactions, ATM interchange fees, and upfront fees on restructured accounts, which are recognised on an accrual basis (proportionately over the relevant period).
- 1.4 Income from units of mutual funds, alternative investment funds and other such pooled / collective investment funds is recognised in the Profit and Loss Account on realisation basis.
- 1.5 The discount or premium if any on acquisition of all debt securities, across all categories of investments i.e. HTM, AFS, HFT-FVTPL meeting Solely Payments of Principal and Interest" (SPPI) Criterion is amortised over the remaining life of the instrument using Constant Yield method.  
  
However, in case of overseas investments and investments in floating rate bond, the discount or premium if any on acquisition is amortised over the remaining life of the instrument using Straight Line method. The amortised amount is reflected under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.
- 1.6 Dividend income is recognised when the right to receive the dividend is established.
- 1.7 The Bank derecognises its financial assets upon sale to Securitisation Company (SC)/ Reconstruction Company (RC), and accounts for the transaction as under:
  - i. If the sale is at a price below the Net Book Value (NBV) (i.e., book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of transfer /sale.
  - ii. If the sale is for a price higher than the NBV, the excess provision is written back in the year the amounts are received. In case, SRs guaranteed by the Government of India are received as a part of sale consideration the excess provision to the extent of Face Value of Security Receipts guaranteed by Government of India is written back in the year of transfer/sale.
- 1.8 Income on Rupee Derivatives designated as "Trading" income is recognised in the Profit and Loss Account on realisation basis.
- 1.9 Issue management fees and advisory fees, in case of Group's merchant banking business, are recognised as per the terms of the agreement with the customer/ client. The fee income is recognised only when the specific act / milestone defined in the agreement is executed/completed.
  - 1.9.1. Fees for private placement are recognised on completion of the assignments.
  - 1.9.2. Brokerage income in relation to stock broking activity is recognised on the trade date of transaction and includes stamp duty, transaction charges and is net of incentives paid on scheme.
  - 1.9.3. Commission relating to public issues is accounted for on finalisation of allotment of the public issue/receipt of information from intermediary.
  - 1.9.4. Brokerage income relating to public issues/ mutual fund/other securities is accounted for based on mobilisation and intimation received from clients/intermediaries.
  - 1.9.5. Depository income – Annual Maintenance Charges are recognised on accrual basis and transaction charges are recognised on trade date of transaction.
- 1.10 Management fee, in case of Group's asset management business, is charged as a percent of the Assets Under Management (AUM) and is recognised on accrual basis. The maximum amount of management fee that can be charged is subject to applicable SEBI regulations. In case of AIF Scheme, management fees is recognised as defined into offer document on accrual basis.
  - 1.10.1. Portfolio Management Fees and Advisory Fees are recognised on an accrual basis as per the terms of the contract with customers.  
  
These contracts include a single performance obligation (series of distinct services) that is satisfied over time and the management fees and/or advisory fees earned are considered as variable consideration.  
  
If the consideration promised in a contract includes a variable amount, the company



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forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. The amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

1.10.2. Expenses of schemes in excess of the stipulated rates (if any) are required to be borne by the Company in accordance with the requirements of SEBI (Mutual Fund) Regulations, 1996 and as such, are charged to Profit and Loss Account. In case of PMS/AIF scheme, based on the contract, expenses if any, are charged to the Profit and Loss Account.

1.10.3. Brokerage paid by the Company in line with applicable regulations is being charged to Profit and Loss Account over the contractual period. In case of new fund offer, the expenses are charged to Profit and Loss Account in the year in which they are incurred in accordance with the requirements of SEBI (Mutual Fund) Regulations, 1996.

1.11 Income earned from provision of membership services, in case of Group's credit card business, is recognised as revenue over the membership period consisting of 12 months at fair value of consideration net of expected reversals / cancellations.

1.11.1. Other service revenue consists of value-add services provided to the card holders. Other service revenues are recognised in the same period in which related transactions occur or services rendered.

1.11.2. Interchange fees are collected from acquirers and paid to issuers by network partners to reimburse the issuers for portion of the costs incurred for providing services that benefit all participants in the system, including acquirers and merchants. Revenue from interchange income is recognised when related transaction occurs, or service is rendered.

1.11.3. The total unidentified receipts which could not be credited or adjusted in the customers' accounts for lack of complete & correct

information is considered as liability in Balance Sheet. The unresolved unidentified receipts aged more than three years are written back as other income on balance sheet date. The liability for stale cheques aged for more than three years is written back as income.

1.11.4. All other service income/fees are recorded at the time of occurrence of the respective events.

1.12 Factoring charges, in case of Group's factoring business, are accrued on factoring of debts at the applicable rates as decided by the company. Facility set-up fees are recognised as income only when there is reasonable certainty of its receipt after execution of documents. Facility Continuation fees (FCF) are calculated and charged in the month of May for the entire next financial year on all live standard accounts. 1<sup>st</sup> of May is deemed as date for accrual of the FCF.

1.13 Premium, in case of Group's life insurance business, of non-linked business is recognised as income (net of goods and service tax) when due from policyholders. In respect of linked business, premium income is recognised when the associated units are allotted. In case of variable insurance products (VIPs), premium income is recognised on the date when the Policy Account Value is credited. Uncollected premium from lapsed policies is not recognised as income until such policies are revived.

1.13.1. Top-up premiums are considered as single premium.

1.13.2. Income from linked funds which includes fund management charges, policy administration charges, mortality charges, etc. are recovered from linked fund in accordance with terms and conditions of policy and recognised when recovered.

1.13.3. Realised gains and losses in respect of equity securities, units of mutual funds, Equity Exchange Traded funds (ETFs), Infrastructure Investment Trusts (InvITs) and Real Estate Investments Trusts (REITs) are calculated as the difference between the net sales proceeds and their cost. In respect of debt securities, the realised gains and losses are calculated as the difference between net sale proceeds or redemption proceeds and weighted average amortised cost. Cost in respect of equity shares, units of mutual fund Equity Exchange Traded

funds (ETFs), Infrastructure Investment Trusts (InvITs) and Real Estate Investments Trusts (REITs) are computed using the weighted average method.

1.13.4. Fees received on lending of equity shares under Securities lending and borrowing scheme (SLB) is recognised as income over the period of the lending on straight-line basis.

1.13.5. Premium ceded on reinsurance is accounted in accordance with the terms of the re-insurance treaty or in-principle arrangement with the re-insurer.

1.13.6. Benefits paid:

- Claims cost consist of the policy benefit amounts and claims settlement costs, where applicable.
- Claims by death and rider are accounted when intimated. Intimations up to the end of the period are considered for accounting of such claims.
- Claims by maturity are accounted on the policy maturity date.
- Survival and Annuity benefits claims are accounted when due.
- Surrenders and withdrawals are accounted as and when intimated. Benefits paid also includes amount payable on lapsed policies which are accounted for as and when due. Surrenders, withdrawals and lapsation are disclosed at net of charges recoverable.
- Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims.
- Amounts recoverable from re-insurers are accounted for in the same period as the related claims and are reduced from claims.

1.13.7. Acquisition costs such as commission, medical fees, etc. are costs that are primarily related to the acquisition of new and renewal insurance contracts. The same are expensed in the period in which they are incurred.

1.13.8. **Liability for life policies:** The actuarial liability of all the life insurance policies has been calculated by the Appointed Actuary in accordance with the Insurance Act 1938, and as per the rules and regulations and circulars issued by IRDAI from time to time and the relevant Guidance Notes and/or Actuarial Practice Standards (APS) issued by the Institute of Actuaries of India.

1.13.9. **Funds for future appropriation:**

Funds for future appropriation (FFA) represents funds, the allocation of which, either to policyholders or to shareholders, has not been determined at the Balance Sheet date.

1.14 Premium including reinsurance accepted (net of goods & service tax) , in case of Group's general insurance business, is recognised in the books at the commencement of risk over the contract period or the period of risk, whichever is appropriate. In case the premium is recovered in instalments, amount to the extent of instalment due is recorded on the due date of the instalment. Premium (net of goods & service tax), including reinstatement premium, on direct business and reinsurance accepted, is recognised as income over the contract period or the period of risk, whichever is appropriate, on a gross basis under 1/365 method. In case of long-term insurance policies premium is recognised on a yearly basis as mandated by IRDAI. Any subsequent revision to premium is recognised over the remaining period of risk or contract period. Adjustments to premium income arising on cancellation of policies are recognised in the period in which they are cancelled.

1.14.1. Commission on reinsurance ceded is recognised as income in the period in which reinsurance risk is ceded. Profit commission under re-insurance treaties, wherever applicable, after adjustment of commission accounted in earlier years, is recognised as income in the year of final determination of the profits as confirmed by Reinsurer and combined with commission on reinsurance ceded.

Sliding scale commission under reinsurance treaties, wherever applicable, is recognised as income as per the reinsurance treaty conditions as confirmed by reinsurers and combined with commission on reinsurance ceded.

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1.14.2. In respect of proportional reinsurance ceded, the cost of reinsurance ceded is accrued at the commencement of risk over the contract period or the period of risk. Non-proportional reinsurance cost is recognised when due. Non-proportional reinsurance cost is accounted as per the terms of the reinsurance arrangements. Reinsurance premium ceded on unearned premium is carried forward to the period of risk and is set off against related unearned premium. Any subsequent revision to, refunds or cancellations of premiums is recognised in the period in which they occur.

1.14.3. Reinsurance inward acceptances are accounted for on the basis of returns, to the extent received, from the insurers.

1.14.4. Acquisition costs are expensed in the period in which they are incurred. Acquisition costs are defined as costs that vary with, and are primarily related to the acquisition of new and renewal insurance contracts viz. commission, policy issuance expense. The primary test for determination as acquisition cost is the obligatory relationship between the costs and the execution of the insurance contracts (i.e. commencement of risk). In case of long-term insurance policies commission is expensed at the applicable rates on the premium allocated for the year as mandated by IRDAI.

1.14.5. Premium Received in Advance which represents premium received prior to the commencement of the risk is shown separately under the head "Other Liabilities and Provision" in the financial statements and is recorded as income on the date of commencement of risk.

Reserve for Unexpired risk is that part of the net premium written (i.e., premium net of reinsurance ceded) that is attributable to, and to be allocated to succeeding accounting periods on contract period basis or risk period basis, whichever is appropriate. Such reserves are calculated on a pro-rata basis under 1/365 basis, subject to minimum reserve requirements as per Circular No. IRDA/F&A/CIR/CPM/056/03/2016 dated April 4, 2016.

1.14.6. If the ultimate amount of expected net claim costs (as calculated and certified by the Actuary), related expenses and maintenance

costs (related to claims handling) in respect of unexpired risks at the end of the accounting period exceeds the sum of related premium carried forward to the subsequent accounting period as the reserve for unexpired risk, the same is recognised as premium deficiency.

Premium deficiency is calculated on annual basis and at the company level.

1.14.7. Claim is recognised as and when a loss occurrence is reported. Claim is recognised by creation of provision for the amount of claim payable as estimated by the management based on available information and experience, on receipt of claim notification. Such provision is reviewed / modified as appropriate on the basis of additional information as and when available. Amounts received/receivable from the re-insurers/co-insurers, under the terms of the reinsurance and coinsurance arrangements respectively, is recognised together with the recognition of claim. Provision for claims outstanding payable as on the date of Balance Sheet is net of reinsurance, salvage value and other recoveries as estimated by the management. Claims paid (net of recoveries including value of salvage retained by the insured and interest, if any, paid on the claims) is charged to the Profit and Loss Account when approved for payment. Where salvage is taken over by the company, the recoveries from sale of salvage are recognised at the time of such sale.

1.14.8. Provision in respect of claim liabilities that may have been incurred before the end of the accounting year but are

- not yet reported or claimed (IBNR) or
- not enough reported i.e. reported with information insufficient for making a reasonable estimate of likely claim amount (IBNER).

The provision is made according to the amount determined by the Appointed Actuary based on actuarial principles in accordance with the Actuarial Practice Standards and Guidance Notes issued by the Institute of Actuaries of India and IRDAI regulations and guidelines.

1.15 The revenue (net of goods & service tax), in case of Group's custody & fund accounting services, is

recognised only when it can be reliably measured and it is probable that the economic benefits will flow to the company. Custody fees, fund accounting fees and business canvassing fees are accounted on accrual basis as per the agreed terms of agreement.

1.16 Management fee, in case of Group's pension fund business, is recognised at specific rates agreed with the relevant schemes, applied on daily net assets of each scheme, and is in conformity with the regulatory guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA). Commission income from Point of Presence (POP) Business i.e. Account opening fees and contribution processing fees are recognised on the basis of contributions received from subscribers and generation of Permanent Retirement Account Number (PRAN). The Company presents revenues net of goods and service tax in profit and loss account.

1.17 Mutual Fund Trusteeship fee, in case of Group's trusteeship business, is recognised on accrual basis at specific rates agreed with the relevant schemes, applied on the percentage of daily net assets of each scheme and is in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.

1.17.1. Corporate Trusteeship Acceptance fees are recognised on execution of trusteeship agreement on a straight -line basis using time elapsed method over the contract term. Corporate Trusteeship service charges are recognised on execution of trusteeship agreement on a straight -line basis using time elapsed method over the contract term.

1.17.2. Income from "will" services is recognised at a point in time when these services are performed, customer is invoiced and right to receive fees is established.

1.18 The revenue, in case of Group's merchant acquiring business (MAB), is measured on basis of consideration received or receivable for the services provided, excluding discounts, GST and other applicable taxes and are recognised upon performance of services. Income on Rupee Derivatives designated as "Trading" income is recognised in the Profit and Loss Account on realisation basis.

1.18.1. The revenue from deployment of POS is recognised either over the period during which the service is rendered or on basis of

the number of transactions processed during the period in accordance with the rates and conditions specified in the agreements. Based on the contract terms, the merchant makes payment for merchant discount rate (MDR), monthly rental and commitment charges and the same is treated as revenue from operation.

1.18.2. Income received but not accrued on account of maintenance deployment contract are recognised as deferred revenue and included in liabilities until the revenue recognition criteria are met. Income accrued but not billed represents revenue recognised on work performed but billed in subsequent period, in accordance with terms of the contract.

1.18.3. Revenue is recognised to the extent it is probable that the economic benefits will flow, and the revenue can be reliably measured.

## 2. Investments:

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation, as given below :

### 2.1 Classification:

The group entities classifies the entire investment portfolio (except investments in their own Subsidiaries, Joint Ventures and Associates) under three categories viz., Held to Maturity (HTM), Available for Sale (AFS) and Fair Value through Profit and Loss (FVTPL) with a subcategory named Held for Trading (HFT).

For disclosure in Balance Sheet, the investments are classified as Investments in India and outside India. The investments in India are further classified as (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and/or Joint Ventures (including Associates) and (vi) Other Investments.

The investments outside India are further classified as (i) Government Securities (ii) Subsidiaries and/or Joint Ventures (including Associates) (iii) Other Investments.

### 2.2 Basis of classification:

i. **Held to Maturity (HTM):** The securities acquired with the intention of holding it to maturity to collect the contractual cash flows

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and the contractual terms of the security give rise to cash flows that are Solely Payments of Principal and Interest (SPPI criterion) on specified date are categorised as Held to Maturity (HTM).

- ii. **Available for Sale (AFS):** The securities acquired with the objective that is achieved by both collecting contractual cash flows and selling securities before maturity; and the contractual terms of the security give rise to cash flows that are Solely Payments of Principal and Interest (SPPI criterion) is categorised as Available for Sale (AFS).

On initial recognition, the group entities make an irrevocable selection to classify an equity instrument, that is not held with the objective of trading, under AFS, in line with the RBI Guidelines.

- iii. **Fair Value through Profit and Loss (FVTPL):** Securities that do not qualify for inclusion in HTM or AFS are classified under Fair Value through Profit and Loss (FVTPL) with a subcategory named Held for Trading (HFT). Any instrument that is held for one or more of the following purposes is designated as a Held for Trading (HFT) instrument:
  - a. short-term resale;
  - b. profiting from short-term price movements;
  - c. locking in arbitrage profits; or
  - d. hedging risks that arise from instruments meeting (a), (b) or (c) above.

### 2.3 Initial Recognition of investments:

The transactions in all securities are measured at fair value on initial recognition with a presumption that acquisition cost is the fair value. This presumption is tested for transactions with related parties, transaction taking place in duress, transaction outside principal market and any other situation where facts and circumstances warrant testing of the presumption.

Fair value measurements are categorised into following 3 fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable,

- (a) "Level 1" - wherein inputs used for valuation of a financial instrument are quoted prices (unadjusted) in active markets for identical instruments that the group entities can access at the measurement date;
- (b) "Level 2" - wherein inputs used for valuation of a financial instrument are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (such as yield curve, credit spread etc.);
- (c) "Level 3" - wherein valuation is based on unobservable inputs.

#### i. Recognition of Day 1 Gain/Loss:

- a. Day 1 gain / loss arising in initial recognition of Level 1 and Level 2 hierarchy, is recognised in the Profit and Loss Account, under item III-'Profit/Loss on revaluation of investments(net)' under Schedule 14: 'Other Income'.
- b. Any Day 1 loss arising from Level 3 investments is recognised immediately.
- c. Any Day 1 gains arising from Level 3 investments is deferred. In the case of debt instruments, the Day 1 gain is amortised on a straight-line basis up to the maturity date (or earliest call date for perpetual instruments), while for unquoted equity instruments, the gain is set aside as a liability until the security is listed or derecognised.
- ii. The transactions in all securities are recorded on a Settlement Date and the securities are held at weighted average cost method for all categories of investments.
- iii. Brokerage, Commission, Securities Transaction Tax (STT) etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
- iv. Broken period interest paid/ received on debt instruments is treated as interest



expense/ income and is excluded from cost/ sale consideration.

## 2.4 Subsequent Measurement of investments:

- i. Securities held in HTM are carried at cost and are not marked to market (MTM) after initial recognition.
- ii. The securities held in AFS are fair valued at quarterly intervals. The valuation gains and losses across all performing investments held under AFS are aggregated. The net appreciation or depreciation is directly credited or debited to AFS-Reserve without routing through the Profit & Loss Account.
- iii. Securities that are classified under the HFT sub-category within FVTPL are fair valued on a daily basis, whereas other securities in FVTPL are fair valued at the end of every quarter. The net gain or loss arising on such valuation is credited or debited to the Profit and Loss Account.
- iv. Subsequent valuation of investment in subsidiaries, associates and joint ventures:
  - a. All investments (i.e., including debt and equity) in subsidiaries, associates and joint ventures are held at acquisition cost.
  - b. In case an existing investment becomes a Subsidiary, Associate or Joint Venture, the revised carrying value of the same on the date of change in classification is as determined as under:
    - For an investment held under HTM: the carrying value less the permanent impairment.
    - For an investment held under AFS: the Carrying value adjusted for cumulative gains and losses previously recognised in AFS Reserve along with the permanent diminution, if any.
    - For an investment held under FVTPL: the fair value on date of the change in the classification.
  - c. When an investment ceases to be a Subsidiary, Associate or Joint Venture, the

reclassification to respective category is made as under:

- For investment reclassified into HTM, there shall be no change in the carrying value.
  - For investment reclassified into AFS or FVTPL, the fair value on the date of reclassification is considered as carrying value by transferring the difference between the revised and the previous carrying values to AFS-Reserve and Profit and Loss account respectively.
- d. The group entities evaluates investments in subsidiaries, associates or joint ventures for impairment at quarterly intervals. When the need to determine whether the impairment has occurred arises in respect of a subsidiary, associate or joint venture, the same is made on the basis of the valuation of the investment by an independent registered valuer and diminution if any is recognised as an expense in the Profit and Loss Account. It is subsequently reversed through Profit and Loss Account, if there is a reversal of the diminution.
  - v. Valuation in the event of inter category transfer of investments:
 

The reclassification between the categories (viz. HTM, AFS and FVTPL) if any, is done with approval of the Board and prior approval of the RBI. The reclassification is applied prospectively from reclassification date and is accounted in compliance with RBI guidelines.
  - vi. Valuation of Security Receipts (SRs):
    - a) The SRs obtained by way of sale of NPA to Securitisation Company (SC) / Asset Reconstruction Company (ARC), is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the NPA; and (ii) Redemption value of SR.
    - b) Investments in Security Receipts are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs

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issued by the SC/ ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.

- c) SRs guaranteed by the Government of India are valued at face value or Net Asset Value (NAV) declared by the ARC (based on the recovery ratings received for such instruments) whichever is lower. Any SRs outstanding after the final settlement of government guarantee or expiry of the guarantee period, whichever is earlier, are valued at ₹1.
- vii. Zero-coupon discounted instruments such as Treasury Bills, Commercial Paper, Certificate of Deposits and Zero-Coupon Bonds are held at carrying cost i.e. the acquisition cost adjusted for the discount accrued at the rate prevailing at the time of acquisition.

### 2.5 Non-performing Investments (NPI):

- i. In domestic offices / entities, the investments are classified as non-performing or upgraded to standard in terms of the criterion laid down in extant Prudential Norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances.
  - a. Debt instruments such as bonds or debentures are recognised as NPIs where interest/instalment (including maturity proceeds) is due and remains unpaid for more than 90 days. It applies mutatis mutandis to preference shares where fixed dividend is not declared/paid in any year; and the date of Balance Sheet of the issuer for that particular year is reckoned as due date for asset classification.
  - b. In the event the investment in equity shares of any company is valued at ₹1 per company on account of non-availability of the latest balance sheet or the same is more than 18 months old, those equity shares would be reckoned as NPI.
  - c. The group entities also classifies an investment including preference shares

as a non-performing investment in case any credit facility availed by the same borrower has been classified as a non-performing asset and vice versa. However, this stipulation is not applicable in cases where only preference shares are classified as NPI. i.e. in such cases, neither the investment in any of the other performing securities issued by the same issuer is classified as NPI nor any performing credit facilities granted to that borrower is treated as NPA.

- d. In case of conversion of principal and / or interest into equity, debentures, bonds, etc., such instruments are classified under HTM, AFS or FVTPL (including HFT) with the same asset classification category as that of the loan and provision is made as per the norms.
- ii. Investment classified as an NPI is segregated from rest of the investments within the same category and not considered for netting valuation gains and losses. Income on non-performing investments is recognised only on realisation of the same. MTM appreciation if any in these NPI securities is ignored.
- iii. Irrespective of the category (i.e., HTM, AFS or FVTPL (including HFT)) in which the investment has been placed, the expense for the provision for impairment are recognised in the Profit and Loss Account. The provision to be held on an NPI is the higher of the amount of provision on the carrying value of the investment immediately before it was classified as NPI as per IRACP norms and the depreciation on the investment with reference to its carrying value on the date of classification as NPI.

Provided that in the case of an investment categorised under AFS against which there are cumulative gains in AFS-Reserve, the provision required is created by charging the same to AFS-Reserve to the extent of such available gains. Provided further that in the case of an investment categorised under AFS against which there are cumulative losses in AFS-Reserve, the cumulative losses are

transferred from AFS-Reserve to the Profit and Loss Account.

- iv. Upon upgradation of the investment, the provision recognised is reversed and recognition of MTM gains and losses is resumed.
- v. In respect of foreign offices / entities, classification and provisions for non-performing investments (NPIs) are made as per the local regulations or as per the norms of RBI, whichever are more prudent.

## 2.6 Accounting for Repo/ Reverse Repo transactions:

The Bank enters Repurchase and Reverse Repurchase Transactions with RBI under Liquidity Adjustment Facility (LAF) and with market participants. Repurchase Transaction represents borrowing by selling the securities with an agreement to repurchase the securities. Reverse Repo Transactions on the other hand, represent lending funds by purchasing the securities.

- a. Transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Collateralised Lending and Borrowing transactions.
- b. In Repo and Reverse Repo transaction, securities sold (purchased) and repurchased (resell) are accounted as normal outright sale (purchase) transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and contra entries. The above entries are reversed on the date of maturity.
- c. Balance in Repo Account is classified under Schedule 4 (Borrowings).
- d. All type of Reverse Repos with RBI including those under Liquidity Adjustment Facility are presented under sub item (ii) 'In Other Accounts' of item (II) Balances with RBI under Schedule 6 'Cash and balances with RBI'.
- e. Reverse Repos with banks and other institutions having original tenors up to and inclusive of 14 days are classified as 'Money at call and short notice' under Schedule 7 'Balance with Banks and Money at call & short notice'. Reverse Repos with original maturity more than 14 days but up to 1 year are classified as 'Cash Credits, overdrafts, and loans repayable on demand',

under Schedule 9 'Advances'. All other Reverse Repos are classified as 'Term Loans' under Schedule 9 'Advances'.

- f. Borrowing cost of repo transactions and revenue on reverse repo transactions, with RBI or others, is accounted for as interest expense and interest income, respectively.
- 2.7 In case of life and general insurance subsidiaries, investments are accounted in accordance with the Insurance Act, 1938 (as amended), the Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations 2024, Master Circular on Actuarial, Finance and Investment Functions of Insurers, Investment policy of the company and various other circulars / notifications as issued by IRDAI from time to time.
- (i) Valuation of investment pertaining to non-linked life insurance business and general insurance business:
    - All debt securities, including government securities and money market securities are stated at historical cost subject to amortisation of premium or accretion of discount.
    - Listed equity shares, equity related instruments and preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. National Stock Exchange of India Limited ('NSE') is considered. If NSE closing price is not available, then closing price of BSE Limited ('BSE') is considered.
    - Unlisted equity securities, equity related instruments and preference shares are measured at historical cost.
    - In case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.
    - Additional Tier 1 (Basel III compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from Credit Rating Information Services of India Limited (CRISIL).



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- Investments in mutual fund units are valued at the Net Asset Value (NAV) of previous day in life insurance and of Balance Sheet date in general insurance.
- Investment in Alternative Investment Funds (AIFs) are valued at latest available NAV.
- The Investment in units of REITs/InvITs are valued at Market Value (last quoted price should not be later than 30 days). For the purpose of determining market value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available for any security, then BSE closing price is used for valuation. Where market quote is not available for the last 30 days, the units are valued as per the latest NAV (not more than 6 months old) of the units published by the trust.

Unrealised gains or losses arising due to change in the fair value of listed equity shares, mutual fund units, AIFs and units of REITs/InvITs pertaining to shareholders' investments and non-linked policyholders investments are taken to "Revenue & Other Reserves (Schedule 2)" and "Liabilities relating to Policyholders in Insurance Business (Schedule 5)" respectively, in the Balance Sheet.

(ii) Valuation of investment pertaining to linked business:

- Debt Securities including Government securities with remaining maturity of more than one year are valued at prices obtained from CRISIL. Debt securities including Government securities with remaining maturity of less than one year are valued on yield to maturity basis, where yield is derived using market price provided by CRISIL on the day when security is classified as short term. If security is purchased during its short term tenor, it is valued at amortised cost using yield to maturity method. In case of securities with options, earliest Call Option/Put Option date will be taken as maturity date for this purpose. Money market securities are valued at historical cost subject to amortisation of premium or accretion of discount on yield to maturity basis.

- Listed equity shares, equity related instruments and preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available, closing price of the BSE is considered.
- Unlisted equity shares, equity related instruments and preference shares are measured at historical cost.
- In the case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.
- Additional Tier 1 (Basel III compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from CRISIL.
- Investments in mutual fund units are valued at the previous day's Net Asset Value (NAV).
- The Investment in units of REITs / InvITs are valued at Market Value (last quoted price should not be later than 30 days). For the purpose of determining market value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available for any security, then BSE closing price is used for valuation. Where market quote is not available for the last 30 days, the units are valued as per the latest NAV (not more than 6 months old) of the units published by the trust.
- Unrealised gains or losses arising due to changes in the fair value are recognised in the Profit & Loss Account.

2.8 In Regional Rural Banks (RRBs), associates of SBI, investments are accounted in accordance with guidelines issued by the National Bank for Agriculture and Rural Development (NABARD)/RBI.

### 3. Loans /Advances and Provisions thereon:

3.1 Based on the guidelines / directives issued by the RBI, Loans and Advances in India are classified as performing and non-performing, as follows:

- i. A term loan is classified as a non-performing asset if interest and / or instalment of principal remains overdue for a period of more than 90 days.
  - ii. An Overdraft or Cash Credit is classified as a non-performing asset, if, the account remains "out of order", i.e. if the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or the credits are not enough to cover the interest debited during the previous 90 days period.
  - iii. The bills purchased / discounted are classified as non-performing Asset if the bill remains overdue for a period of more than 90 days.
  - iv. The agricultural advances are classified as a non-performing if,
    - a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and
    - b) for long duration crops, where the principal or interest remains overdue for one crop season.
- 3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:
- i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
  - ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months or Sub-Standard Accounts where erosion in the value of security by more than 50 per cent of the value assessed by the bank or accepted by RBI at the time of last inspection, as the case may be.
  - iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off or if the realisable value of the security as assessed by the Bank/approved valuers/RBI is less than 10 percent of the outstanding.

- 3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities:

|                            |                     |                                                                                                      |                       |      |
|----------------------------|---------------------|------------------------------------------------------------------------------------------------------|-----------------------|------|
| <b>Substandard Assets:</b> | i.                  | Secured                                                                                              | 15%                   |      |
|                            | ii.                 | unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio). | 25%                   |      |
|                            | iii.                | in respect of infrastructure advances where certain safeguards such as escrow accounts are available | 20%                   |      |
| <b>Doubtful Assets</b>     | Secured portion     | i.                                                                                                   | Up to one year        | 25%  |
|                            |                     | ii.                                                                                                  | One to three years    | 40%  |
|                            |                     | iii.                                                                                                 | More than three years | 100% |
|                            | Unsecured portion   |                                                                                                      |                       | 100% |
|                            | <b>Loss Assets:</b> |                                                                                                      |                       | 100% |

- 3.4 In respect of foreign offices / entities, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- 3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.
- 3.6 For restructured/ rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans/ advances before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.
- 3.7 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulatory authorities.
- 3.8 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.

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3.9 In addition to the provision on NPAs, provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.

3.10 The Bank also makes additional provisions on specific non-performing assets.

3.11 Recoveries from Non-Performing Assets (NPAs) are appropriated in the following order of priority:

- a. Charges, Costs, Commission etc.
- b. Unrealised Interest / Interest
- c. Principal

However, in Compromise and Resolution/ Settlement through National Company Law Tribunal (NCLT) cases, the recoveries are appropriated as per the terms of respective compromise/ resolution/ settlement. And in case of suit filed accounts, recovery is appropriated as per directives of respective courts.

#### 4. Floating Provisions & Countercyclical Provisioning Buffer:

The Bank has a policy for creation and utilisation of Countercyclical Provisioning Buffer in good times as well as for Floating Provisions separately for advances, investments and general purposes. The quantum of Floating Provisions and Countercyclical Provisioning Buffer to be created is assessed at the end of the financial year. These provisions are utilised only for contingencies under extra ordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

#### 5. Provision for Country Exposure for Banking Entities:

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, Insignificant, Very Low, Low, Medium, High, Very High, Restricted and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others".

#### 6. Derivatives:

6.1 The Bank enter into Interest Rate derivatives (e.g. Interest Rate Swaps, Interest Rate Futures, Interest Rate Options, Interest Rate Caps and Floors, Forward Rate Agreements) and Foreign Currency Derivatives (e.g. Foreign Exchange Contracts, Currency/Cross Currency Swaps, Currency Options, Currency Futures) to hedge on-balance sheet/ off-balance sheet assets and liabilities or for trading purposes. Banks categorises the derivatives portfolio into three fair value hierarchies viz. Level 1, Level 2, and Level 3 as defined for investments.

6.2 The Bank follow the hedge accounting treatment stipulated in the Guidance Note on Accounting for Derivative Contracts (Revised 2021) issued by Institute of Chartered Accountants of India (ICAI), wherein:

- a. Under the Fair Value Hedge Accounting Model, the hedging instrument is measured at fair value with the change in fair value recognised in the Profit & Loss Account. The hedged item is re-measured at fair value in respect of the hedged risk and the resulting change is recognised in the Profit & Loss Account. Thus, the fair value changes of the hedged item and the hedging instrument offset and result in no net impact in the Profit & Loss Account except for the impact of Hedge Ineffectiveness.
- b. Under the Cash Flow Hedge, the hedging instrument is measured at fair value with the change in fair value of an effective hedge recognised in the Cash Flow Hedge Reserve and change in fair value of ineffective portion of gain or loss recognised in Profit & Loss Account. The changes in fair value of hedging instruments recognised in Cash Flow Reserve are recycled and recognised in Profit & Loss Account while the impact of the hedged item is recognised in the Profit & Loss Account.

6.3 Application of hedge accounting is stopped when the risk management objective as defined originally at the time of first applying hedge accounting principles is no longer met. The hedge relationship is discontinued if:

- The hedging instrument expires or is sold, terminated, or exercised.

- Hedge items mature or is sold/terminated or forecast transaction is no longer expected to occur.
- Hedging relationship (or a part of a hedging relationship) cease to meet the qualifying criteria for hedge accounting.

- 6.4 Except as mentioned above, all other derivative contracts are marked to market as per the Generally Accepted Accounting Practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the Profit and Loss Account in the period of change. Any receivable under derivative contracts, which remain overdue for more than 90 days, are reversed through Profit and Loss Account to "Suspense Account - Crystallised Receivables". In cases where the derivative contracts provide for more settlement in future and if the derivative contract is not terminated on the overdue receivables remaining unpaid for 90 days, the positive MTM pertaining to future receivables is also reversed from Profit and Loss Account to "Suspense Account – Positive MTM".
- 6.5 Option premium paid or received is recorded in Profit and Loss Account at the expiry of the option. The balance in the premium received on options sold and premium paid on options bought is considered to arrive at Mark to Market value for forex Over the Counter (OTC) options.
- 6.6 Exchange Traded Derivatives entered in for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognised in the Profit and Loss Account.

## 7. Fixed Assets Depreciation and Amortisation:

- 7.1 Fixed Assets are carried at cost less accumulated depreciation/ amortisation except for freehold premises carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation, unless stated otherwise.
- 7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability. The fixed assets in

domestic offices/ entities are depreciated at straight line method based on useful life of the assets states as under:

| Sr. No. | Description of Fixed Assets                                                                                  | Useful Life for Depreciation |
|---------|--------------------------------------------------------------------------------------------------------------|------------------------------|
| 1       | Computers                                                                                                    | 3 Years                      |
| 2       | Computer Software forming an integral part of the computer hardware                                          | 3 Years                      |
| 3       | Computer Software which does not form an integral part of Computer hardware and cost of Software Development | 3 Years                      |
| 4       | Automated Teller Machine/ Cash Deposit Machine/Coin Dispenser/ Coin Vending Machine                          | 5 Years                      |
| 5       | Servers                                                                                                      | 4 Years                      |
| 6       | Network Equipment                                                                                            | 5 Years                      |
| 7       | Other major fixed assets                                                                                     |                              |
|         | Premises                                                                                                     | 60 Years                     |
|         | Safe Deposit Lockers                                                                                         | 20 Years                     |
|         | Furniture & Fixtures                                                                                         | 10 Years                     |
|         | Air Conditioners                                                                                             | 8 Years                      |
|         | Vehicles                                                                                                     | 5 Years                      |

- 7.3 In respect of assets acquired during the year for domestic operations, depreciation is charged on proportionate basis for the number of days assets have been put to use during the year.
- 7.4 Assets costing less than ₹1,000 each are charged off in the year of purchase.
- 7.5 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease (except for premises and land on perpetual lease) and Lease payments for assets taken on Operating lease are recognised as expense in the Profit & Loss account over the lease term on straight line basis.
- 7.6 In respect of fixed assets held at foreign offices/ entities, depreciation is provided as per the regulations /norms of the respective countries.
- 7.7 The Bank revalue freehold immovable assets at every three years. The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to General Reserve. The revalued asset is

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depreciated over the balance useful life of the asset as assessed at the time of revaluation.

### 8. Leases:

The asset classification and provisioning norms applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

### 9. Impairment of Assets:

Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

### 10. Effect of changes in the foreign exchange rate:

#### 10.1 Foreign Currency Transactions:

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/forward) rates.
- iii. Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.
- iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.
- v. Outstanding foreign exchangespot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognised in the Profit and Loss Account.
- vi. Foreign Currency Forward or Future Contract entered to hedge payment of a monetary asset or a liability and a Currency Swap Contract (principal only; no interest rate element) that hedges the repayment of principal of foreign currency loan are revalued at the closing spot

rate and exchange difference on such contracts is recognised in Profit and Loss Account. The premium or discount arising at the inception of these contracts is amortised as expense or income over the life of the contract.

Any Profit or Loss arising on cancellation or renewal of such contracts is recognised as income or expense for the period.

- vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.
- viii. Gains / Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss Account.

#### 10.2 Foreign Operations:

Foreign Branches/Subsidiaries / Joint Ventures of the Bank and Offshore Banking Units (OBU) have been classified as Non-integral Operations and Representative Offices have been classified as Integral Operations.

##### a. Non-integral Operations:

- i. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- ii. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.
- iii. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.
- iv. The Assets and Liabilities of foreign offices/ subsidiaries /joint ventures in foreign currency (other than local currency of the foreign offices/subsidiaries/

joint ventures) are translated into local currency using spot rates applicable to that country on the Balance Sheet date.

**b. Integral Operations:**

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- ii. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/Forward) exchange rates notified by FEDAI at the Balance Sheet date and the resulting Profit/Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.
- iii. Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

## **11. Employee Benefits:**

### **11.1 Short Term Employee Benefits:**

The undiscounted amounts of short-term employee benefits, such as medical benefits, which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

### **11.2 Long Term Employee Benefits:**

**i. Defined Benefit Plans:**

- a. SBI operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. SBI contributes to the fund at 10% of employee's basic pay plus eligible allowance monthly. These contributions are remitted to a Trust established for this purpose and are charged to Profit and Loss Account. SBI recognises such annual contributions as an expense in the year to which it relates, Shortfall, if any, is provided for based on actuarial valuation.

SBI Life Insurance Company Limited makes contribution towards provident fund, a defined benefit retirement plan. The provident fund is administered by the trustees of the SBI Life Insurance Company Limited Employees PF Trust. The contribution paid or payable under the schemes is charged to the Profit and Loss Account during the period in which the employee renders the related service. Further, an actuarial valuation is conducted annually by an independent actuary to recognise the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate.

- b. The group entities operate separate Gratuity schemes, which are defined benefit plans. The group entities provide for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities or Service Gratuity without cap in case of erstwhile Associate Bank's employees of SBI. Vesting occurs upon completion of five years of service. SBI makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.
- c. SBI provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. SBI makes monthly contribution to the Pension Fund at 10% of salary in terms of SBI Employees' Pension Fund Regulations. The pension liability is reckoned based on an independent actuarial valuation carried out annually and SBI makes such



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additional contributions periodically to the Fund as may be required to secure payment of the benefits under the Pension Fund Regulations.

- d. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains/losses are immediately recognised in the Profit and Loss and are not deferred.

### ii. Defined Contribution Plans:

The defined contribution plan i.e. a New Pension Scheme (NPS) is applicable from for all officers/ employees joining the Bank on or after 1<sup>st</sup> August 2010. As per the scheme, these employees contribute 10% of their basic pay plus dearness allowance to the scheme together with Bank's contribution at 14% of basic pay plus dearness allowance. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in SBI and earn interest at the rate applicable to Provident Fund balance. The SBI recognises such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

### iii. Other Long Term Employee benefits:

- a. All eligible employees of the Group are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The cost of such long-term employee benefits are internally funded by the group entities.
- b. The cost of providing other long-term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost, if any, is immediately recognised in the Profit and Loss and is not deferred.

- 11.3 Employee benefits relating to employees employed at foreign offices/ entities are valued and accounted for as per the respective local laws/regulations.

## 12. Segment Reporting:

The Group recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India (ICAI).

## 13. Taxes on income:

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Group. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – "Accounting for Taxes on Income" respectively after considering taxes paid at the foreign offices, which are based on the tax laws of respective jurisdiction. Deferred Tax adjustments comprise of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year and carry forward losses.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account. Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgement as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

In Consolidated Financial Statement, income tax expenses are the aggregate of the amounts of tax expense appearing in the separate financial statements of the parent and its subsidiaries/joint ventures, as per their applicable laws.

## 14. Earnings per Share:

- 14.1 The Bank reports basic and diluted earnings per share in accordance with AS 20 – "Earnings per Share" issued by the Institute of Chartered Accountants of India (ICAI). Basic Earnings per Share are computed by dividing the Net Profit for the year attributable to equity shareholders (other than minority) by the weighted average number of equity shares outstanding for the year.

14.2 Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

## **15. Provisions, Contingent Liabilities and Contingent Assets:**

15.1 In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Group recognises provisions only when it has a present obligation because of a past event and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

### **15.2 No provision is recognised for**

- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group entities; or
- ii. any present obligation that arises from past events but is not recognised because
  - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

15.3 Provision for reward points in relation to the "Enterprise-Wide Loyalty Programme" of SBI is being provided for on the basis of actuarial estimates.

15.4 Provisions for onerous contracts are recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with

the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.

15.5 Contingent Assets are not recognised in the financial statements.

## **16. Bullion Transactions:**

The Bank imports bullion, including precious metal bars, on a consignment basis to sell to customers. These imports are usually back-to-back and priced based on the supplier's quoted rate. The Bank earns a fee from these transactions, which is recorded as commission income.

The Bank also accepts gold deposits and provides gold loans, which are treated as deposits and advances, respectively. Interest paid or received on these is recorded as interest expense or income.

Gold deposits, metal loan advances, and closing gold balances are valued at the market rate available on the Balance Sheet.

## **17. Special Reserves:**

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors of the Bank has passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

## **18. Capital Reserve**

18.1 Profit on sale of investments in the Held to Maturity (HTM) category; sale / reclassification of an investment in a subsidiary, associate or joint venture and sale of Fixed Assets are appropriated to Capital Reserve (net of applicable taxes and amount required to be transferred to Statutory Reserve).

18.2 Any gain or loss on sale of equity instruments designated under AFS is transferred from AFS-Reserve to the Capital Reserve (net of applicable taxes and amount required to be transferred to Statutory Reserve). As against this, gain or loss on sale of debt instruments in AFS category is transferred from AFS-Reserve to the Profit & Loss Account.

## **19. Share Issue Expenses:**

Share issue expenses are charged to the Share Premium Account.

## **20. Cash and cash equivalents:**

Cash and cash equivalents include Cash and Balances with RBI, Balances with Banks and money at call and short notice.



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forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### SCHEDULE 18 - NOTES TO ACCOUNTS:

#### 1. List of Subsidiaries/Joint Ventures/Associates considered for preparation of consolidated financial statements:

1.1 The 27 Subsidiaries, 8 Joint ventures and 18 Associates including 14 Regional Rural Banks from/up to respective date of merger/ exit during the year (which along with State Bank of India, the parent, constitute the Group), considered in the preparation of the consolidated financial statements, are :

#### A) Subsidiaries:

| S. No. | Name of the Subsidiary                                       | Country of incorporation | Group's Stake (%) |               |
|--------|--------------------------------------------------------------|--------------------------|-------------------|---------------|
|        |                                                              |                          | Current Year      | Previous Year |
| 1)     | SBI Capital Markets Ltd.                                     | India                    | 100.00            | 100.00        |
| 2)     | SBICAP Securities Ltd.                                       | India                    | 100.00            | 100.00        |
| 3)     | SBICAP Trustee Company Ltd.                                  | India                    | 100.00            | 100.00        |
| 4)     | SBI Venture Ltd. (Formerly known as SBICAP Ventures Ltd)     | India                    | 100.00            | 100.00        |
| 5)     | SBI DFHI Ltd.                                                | India                    | 72.17             | 72.17         |
| 6)     | SBI Factors Ltd. (Formerly known as SBI Global Factors Ltd.) | India                    | 100.00            | 100.00        |
| 7)     | SBI CDMD Trustee Pvt. Ltd.                                   | India                    | 100.00            | 100.00        |
| 8)     | SBI Mutual Fund Trustee Company Pvt Ltd.                     | India                    | 100.00            | 100.00        |
| 9)     | SBI Payment Services Pvt. Ltd.@                              | India                    | 74.00             | 74.00         |
| 10)    | SBI Pension Funds Pvt Ltd.                                   | India                    | 92.40             | 92.44         |
| 11)    | State Bank Operations Support Services Pvt. Ltd.             | India                    | 100.00            | 100.00        |
| 12)    | SBI Life Insurance Company Ltd.                              | India                    | 55.38             | 55.42         |
| 13)    | SBI General Insurance Company Ltd.                           | India                    | 68.99             | 69.11         |
| 14)    | SBI Cards and Payment Services Ltd.                          | India                    | 68.60             | 68.63         |
| 15)    | SBI-SG Global Securities Services Pvt. Ltd. @                | India                    | 65.00             | 65.00         |
| 16)    | SBI Funds Management Ltd. @                                  | India                    | 61.98             | 62.21         |
| 17)    | SBI Funds Management (International) Private Ltd.            | Mauritius                | 61.98             | 62.21         |
| 18)    | SBI Funds International (IFSC) Limited (w.e.f 08.07.2024)    | India                    | 61.98             | -             |
| 19)    | Commercial Indo Bank LLC, Moscow                             | Russia                   | 100.00            | 100.00        |
| 20)    | SBI Canada Bank                                              | Canada                   | 100.00            | 100.00        |
| 21)    | State Bank of India (California)                             | USA                      | 100.00            | 100.00        |
| 22)    | State Bank of India (UK) Limited                             | UK                       | 100.00            | 100.00        |
| 23)    | State Bank of India Servicos Limitada                        | Brazil                   | 100.00            | 100.00        |
| 24)    | SBI (Mauritius) Ltd.                                         | Mauritius                | 96.60             | 96.60         |
| 25)    | PT Bank SBI Indonesia                                        | Indonesia                | 99.00             | 99.56         |
| 26)    | Nepal SBI Bank Ltd.                                          | Nepal                    | 55.00             | 55.00         |
| 27)    | Nepal SBI Merchant Banking Limited                           | Nepal                    | 55.00             | 55.00         |

@ Represents companies which are jointly controlled entities in terms of the shareholders' agreement. However, the same are consolidated as subsidiaries in accordance with AS 21 "Consolidated Financial Statements" as SBI's holding in these companies exceeds 50%.

**B) Joint Ventures:**

| S. No. | Name of the Joint Venture                                       | Country of Incorporation | Group's Stake (%) |               |
|--------|-----------------------------------------------------------------|--------------------------|-------------------|---------------|
|        |                                                                 |                          | Current Year      | Previous Year |
| 1)     | C - Edge Technologies Ltd.                                      | India                    | 49.00             | 49.00         |
| 2)     | SBI Macquarie Infrastructure Management Pvt. Ltd.               | India                    | 45.00             | 45.00         |
| 3)     | SBI Macquarie Infrastructure Trustee Pvt. Ltd.                  | India                    | 45.00             | 45.00         |
| 4)     | Macquarie SBI Infrastructure Management Pte. Ltd.               | Singapore                | 45.00             | 45.00         |
| 5)     | Macquarie SBI Infrastructure Trustee Ltd.                       | Bermuda                  | 45.00             | 45.00         |
| 6)     | Oman India Joint Investment Fund – Management Company Pvt. Ltd. | India                    | 50.00             | 50.00         |
| 7)     | Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.    | India                    | 50.00             | 50.00         |
| 8)     | Jio Payments Bank Ltd.                                          | India                    | 14.96             | 22.75         |

**C) Associates:**

| S. No. | Name of the Associate                                    | Country of Incorporation | Group's Stake (%) |               |
|--------|----------------------------------------------------------|--------------------------|-------------------|---------------|
|        |                                                          |                          | Current Year      | Previous Year |
| 1)     | Andhra Pradesh Grameena Vikas Bank                       | India                    | 35.00             | 35.00         |
| 2)     | Arunachal Pradesh Rural Bank                             | India                    | 35.00             | 35.00         |
| 3)     | Chhattisgarh Rajya Gramin Bank                           | India                    | 35.00             | 35.00         |
| 4)     | Ellaquai Dehati Bank                                     | India                    | 35.00             | 35.00         |
| 5)     | Madhyanchal Gramin Bank                                  | India                    | 35.00             | 35.00         |
| 6)     | Meghalaya Rural Bank                                     | India                    | 35.00             | 35.00         |
| 7)     | Mizoram Rural Bank                                       | India                    | 35.00             | 35.00         |
| 8)     | Nagaland Rural Bank                                      | India                    | 35.00             | 35.00         |
| 9)     | Saurashtra Gramin Bank                                   | India                    | 35.00             | 35.00         |
| 10)    | Utkal Grameen Bank                                       | India                    | 35.00             | 35.00         |
| 11)    | Uttarakhand Gramin Bank                                  | India                    | 35.00             | 35.00         |
| 12)    | Jharkhand Rajya Gramin Bank                              | India                    | 35.00             | 35.00         |
| 13)    | Rajasthan Marudhara Gramin Bank                          | India                    | 35.00             | 35.00         |
| 14)    | Telangana Grameena Bank                                  | India                    | 35.00             | 35.00         |
| 15)    | The Clearing Corporation of India Ltd. (upto 08.08.2024) | India                    | -                 | 20.05         |
| 16)    | Yes Bank Ltd.                                            | India                    | 23.97             | 26.13         |
| 17)    | Bank of Bhutan Ltd.                                      | Bhutan                   | 20.00             | 20.00         |
| 18)    | Investec Capital Services (India) Private Limited        | India                    | 19.70             | 19.70         |

- a) As per new investment guidelines applicable from 1<sup>st</sup> April 2024, the status of Jio Payments Bank Ltd. has changed from 'Associate' to 'Joint Venture' of SBI. Further, during the year ended 31<sup>st</sup> March 2025, Jio Payments Bank Ltd. has offered right issue of its equity shares in which SBI did not participate. Consequently, the stake of SBI has reduced from 22.75% to 14.96% in the said joint venture.
- b) Pursuant to exercise of options under the approved Employee Stock Option Plan (ESOP), following group entities have issued equity shares to their eligible employees: -
- i. SBI Cards and Payment Services Limited has allotted 3,88,435 equity shares of ₹10 each during the year ended 31<sup>st</sup> March 2025. Consequently, the stake of SBI in SBI Cards and Payment Services Limited has reduced from 68.63% to 68.60%.

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- II. SBI Life Insurance Company Limited has allotted 6,69,618 equity shares of ₹10 each during the year ended 31<sup>st</sup> March 2025. Consequently, the stake of SBI in SBI Life Insurance Company Limited has reduced from 55.42% to 55.38%.
- III. SBI General Insurance Company Limited has allotted 3,71,693 equity shares of ₹10 each during the year ended 31<sup>st</sup> March 2025. Consequently, the stake of SBI in SBI General Insurance Company Limited has reduced from 69.11% to 68.99%.
- IV. SBI Funds Management Limited has allotted 18,68,925 equity shares of ₹1 each during the year ended 31<sup>st</sup> March 2025. Consequently, the stake of SBI in SBI Funds Management Limited has reduced from 62.21% to 61.98% and the stake of SBI Group in SBI Funds Management (International) Private Limited and SBI Pension Funds Private Limited has reduced from 62.21% and 92.44% to 61.98% and 92.40% respectively.
- c) On 10<sup>th</sup> September 2024, State Bank of India, PT Bank KEB Hana Indonesia and PT Bank SBI Indonesia have signed Shareholders' Agreement, which allows PT Bank KEB Hana Indonesia to invest in 1% share of PT Bank SBI Indonesia. Accordingly, the earlier minority shareholder has exited, and PT Bank KEB Hana is inducted as new minority shareholder, and the said process is completed on 25<sup>th</sup> December 2024. Consequently, the stake of SBI in PT Bank SBI Indonesia has reduced from 99.56% to 99.00%.
- d) On 9<sup>th</sup> August 2024, SBI disinvested 2% of its stake in The Clearing Corporation of India Limited (CCIL), an associate company. Following this disinvestment, CCIL is no longer an associate and is considered as an associate only up to 8<sup>th</sup> August 2024 in Consolidated Financial Statements of SBI.
- e) During the year ended 31<sup>st</sup> March 2025, Yes Bank Limited has allotted 255,97,61,818 equity shares of ₹2 each pursuant to the exercise of share warrants by other two investors for 127,98,80,909 equity shares to each investor and 2,64,71,398 equity shares of ₹2 each under the approved employee stock option scheme. Consequently, the stake of SBI in Yes Bank Limited has reduced from 26.13% to 23.97%.
- f) SBI Funds Management Limited (subsidiary of SBI) has incorporated a wholly owned subsidiary namely SBI Funds International (IFSC) Limited on 7<sup>th</sup> February 2024 in Gift City – Gandhinagar. During the quarter ended 30<sup>th</sup> September 2024, the company received requisite approval for its operations and a capital of ₹25.00 Crore from SBI Funds Management Limited. Accordingly, the company is considered as group subsidiary in Consolidated Financial Statements of SBI from 8<sup>th</sup> July 2024.
- g) The name of 'SBICAP Ventures Limited' a wholly owned subsidiary of SBI, has changed to 'SBI Ventures Limited' w.e.f. 24<sup>th</sup> July 2024 and the name of 'SBI Global Factors Limited' a wholly owned subsidiary of SBI, has changed to 'SBI Factors Limited' w.e.f. 26<sup>th</sup> February 2025.
- h) In accordance with the notification issued by Govt. of India, the assets and liabilities of Andhra Pradesh Grameena Vikas Bank, a Regional Rural Bank (RRB) sponsored by SBI, has been bifurcated, and a part of Andhra Pradesh Grameena Vikas Bank is amalgamated with Telangana Grameena Bank. The effective date of amalgamation is 1<sup>st</sup> January 2025 and after amalgamation, the stake of SBI in both RRBs will remain same as both are sponsored by SBI.
- i) Pursuant to Gazette Notification No. CG-DL-E-07042025-262329 dated 5<sup>th</sup> April 2025, the following Regional Rural Banks (RRBs) sponsored by the State Bank of India and RRBs sponsored by other banks have been amalgamated from 1<sup>st</sup> May 2025. The Bank's investments in RRBs sponsored by the Bank, are included in its financial statements as at 31<sup>st</sup> March 2025.

- The details of amalgamation of RRBs, where the transferee RRBs are not sponsored by SBI are as below:

| Sr. No. | Name of transferor RRBs            | Sponsor Bank of transferor RRBs | New Name after Amalgamation of RRBs | Sponsor Bank of transferee RRBs |
|---------|------------------------------------|---------------------------------|-------------------------------------|---------------------------------|
| 1       | Andhra Pradesh Grameena Vikas Bank | State Bank of India             | Andhra Pradesh Grameena Bank        | Union Bank of India             |
|         | Chaitanya Godavari Grameena Bank   | Union Bank of India             |                                     |                                 |
|         | Andhra Pragathi Grameena Bank      | Canara Bank                     |                                     |                                 |
|         | Saptagiri Grameena Bank            | Indian Bank                     |                                     |                                 |
| 2       | Saurashtra Gramin Bank             | State Bank of India             | Gujarat Gramin Bank                 | Bank of Baroda                  |
|         | Baroda Gujarat Gramin Bank         | Bank of Baroda                  |                                     |                                 |
| 3       | Ellaquai Dehati Bank               | State Bank of India             | Jammu and Kashmir Grameen Bank      | The Jammu and Kashmir Bank Ltd  |
|         | J & K Grameen Bank                 | The Jammu and Kashmir Bank Ltd  |                                     |                                 |
| 4       | Madhyanchal Gramin Bank            | State Bank of India             | Madhya Pradesh Gramin Bank          | Bank of India                   |
|         | Madhya Pradesh Gramin Bank         | Bank of India                   |                                     |                                 |
| 5       | Utkal Grameen Bank                 | State Bank of India             | Odisha Grameen Bank                 | Indian Overseas Bank            |
|         | Odisha Gramya Bank                 | Indian Overseas Bank            |                                     |                                 |

- The details of amalgamation of RRBs, where the transferee RRB is sponsored by SBI are as below:

| Sr. No. | Name of transferor RRBs                | Sponsor Bank of transferor RRBs | New Name after Amalgamation of RRBs | Sponsor Bank of transferee RRBs |
|---------|----------------------------------------|---------------------------------|-------------------------------------|---------------------------------|
| 1       | Rajasthan Marudhara Gramin Bank        | State Bank of India             | Rajasthan Gramin Bank               | State Bank of India             |
|         | Baroda Rajasthan Kshetriya Gramin Bank | Bank of Baroda                  |                                     |                                 |

- j) SBI Infra Management Solutions Private Limited, wholly owned subsidiary of SBI is under liquidation and therefore, not being considered for consolidation in preparation of Consolidated Financial Statements as per Accounting Standard 21. Further, SBI Home Finance Limited, an associate with 26.00% of SBI Group's stake, had been dissolved by an order of the Hon'ble High Court, Calcutta dated 20<sup>th</sup> December 2019. However, the status of the company at the ROC portal has been changed from "Under Liquidation" to "Dissolved" during September 2024 as per the status report received from the Official Liquidator dated 20<sup>th</sup> September 2024.
- k) As SBI Foundation is a Not-for-Profit Company [incorporated under section 7(2) of Companies Act, 2013], SBI Foundation is not being considered for consolidation in preparation of Consolidated Financial statements as per Accounting Standard 21.

- 1.2** The consolidated financial statements for the financial year 2024-25 of the Group include unaudited financial statements of one subsidiary (SBI Canada Bank) & one associate (Bank of Bhutan Ltd.) the results of which are not material.

## 2. Disclosures as per Accounting Standards

### 2.1 Accounting Standard 5 – "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies"

- During the year, there were no material prior period income / expenditure items.
- There is no change in the Significant Accounting Policies adopted during the Financial Year 2024-2025 as compared to those followed in the previous Financial Year 2023-2024 except for:
  - The changes required on account of RBI Master Direction RBI/DOR/2023-24/104 DOR.MRG. 36/21.04.141/2023-24 dated 12<sup>th</sup> September 2023, applicable from 1<sup>st</sup> April 2024 as stated below:

#### a. Policies on classification and valuation of investments:

With effect from 1<sup>st</sup> April 2024, the Bank adopted the revised framework of classification and valuation of investments issued by RBI vide Master Direction No. RBI/DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24 on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 dated 12<sup>th</sup> September

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2023. For the purpose of consolidation, all the subsidiaries and joint ventures of the Bank have followed the revised investment framework except SBI Life Insurance Company Ltd. and SBI General Insurance Company Ltd., (the subsidiaries regulated by IRDA) which continue to follow IRDAI guidelines.

### b. Method of recording the transactions in HTM securities:

As per the extant Policy, the premium paid on acquisition of HTM category Investments was amortised over the term to maturity on a constant yield basis. In terms of new investment framework, the Bank has switched over to Weighted Average Carrying Cost (WACC) from First in First Out (FIFO) method of recording transactions uniformly across all categories of investments and amortisation of both, premium and discount on acquisition.

### c. Method of amortisation for Floating Rate Bonds:

The revised framework on investment allow amortisation of premium and discount across all categories of investments. To comply with these amortisation norms, the Bank has now switched over to Straight Line Method from constant yield method.

In terms of the transition guidelines of the revised framework, on 1<sup>st</sup> April 2024 the Group has debited net loss of ₹714.93 Crore (net of tax) to the General Reserve & Balance in P&L account and credited net gain of ₹4,428.65 Crore (net of tax) to the AFS Reserve. The impact of the revised framework for the period prior to the transition date is not ascertainable. As a result, the income / profit or loss from investments for quarter and year ended 31<sup>st</sup> March 2025 are not comparable to figures reported for quarter and year ended 31<sup>st</sup> March 2024.

- ii. As per RBI Circular no. RBI/DOR/2024-25/135 DOR.STR.REC.72/ 21.04.048/2024-25 dated 29<sup>th</sup> March 2025, on guidelines for Government-guaranteed Security Receipts, banks are permitted to reverse any excess provision to the Profit and Loss Account in the year of transfer of a loan to an Asset Reconstruction Company (ARC) for a value higher than the net book value (NBV), provided the consideration consists solely of cash and SRs guaranteed by the Government of India. Such SRs shall be valued periodically by reckoning the Net Asset Value (NAV) declared by the ARC based on the recovery ratings received for such instruments.

The Bank has carried SRs guaranteed by Government of India at face value or Net Asset Value (NAV) declared by the ARC, whichever is lower by crediting to the Profit and Loss Account ₹3,874.99 Crore, being the lower of face value or NAV pertaining to 19 Trust accounts managed by National Asset Reconstruction Company Ltd. (NARCL).

## 2.2 Accounting Standard- 15 "Employee Benefits":

### 2.2.1 Defined Benefit Plans

#### 2.2.1.1 Employee's Pension Plans and Gratuity Plans

The following table sets out the status of the Defined Benefit Pension Plans and Gratuity Plan as required under AS 15 (Revised 2005):

(₹ in Crore)

| Particulars                                                           | Pension Plans      |                    | Gratuity Plans   |                  |
|-----------------------------------------------------------------------|--------------------|--------------------|------------------|------------------|
|                                                                       | Current Year       | Previous Year      | Current Year     | Previous Year    |
| <b>Change in the present value of the defined benefit obligation</b>  |                    |                    |                  |                  |
| Opening defined benefit obligation as at 1 <sup>st</sup> April        | <b>1,90,944.96</b> | <b>1,56,966.26</b> | <b>13,269.85</b> | <b>12,759.77</b> |
| Current Service Cost                                                  | 1,109.80           | 956.93             | 536.52           | 510.49           |
| Interest Cost                                                         | 13,805.32          | 11,537.02          | 956.35           | 953.63           |
| Past Service Cost (Vested Benefit)                                    | -                  | 7,100.00           | -                | 8.48             |
| Liability pertains to incoming Joint Venture                          | -                  | -                  | 0.23             | -                |
| Actuarial losses /(gains)                                             | 11,883.95          | 26,225.01          | 531.46           | 596.59           |
| Benefits paid                                                         | (6,083.50)         | (5,165.42)         | (1,395.80)       | (1,559.11)       |
| Direct Payment by SBI                                                 | (7,189.74)         | (6,674.84)         | -                | -                |
| <b>Closing defined benefit obligation as at 31<sup>st</sup> March</b> | <b>2,04,470.79</b> | <b>1,90,944.96</b> | <b>13,898.61</b> | <b>13,269.85</b> |

(₹ in Crore)

| Particulars                                                                                                    | Pension Plans      |                    | Gratuity Plans   |                  |
|----------------------------------------------------------------------------------------------------------------|--------------------|--------------------|------------------|------------------|
|                                                                                                                | Current Year       | Previous Year      | Current Year     | Previous Year    |
| <b>Change in Plan Assets</b>                                                                                   |                    |                    |                  |                  |
| Opening fair value of plan assets as at 1 <sup>st</sup> April                                                  | 1,51,643.97        | 1,33,148.54        | 12,557.09        | 11,397.87        |
| Expected Return on Plan assets                                                                                 | 10,963.86          | 9,786.42           | 904.00           | 852.08           |
| Contributions by employer                                                                                      | 8,112.88           | 7,634.52           | 768.00           | 1,407.55         |
| Expected Contribution by the employees                                                                         | 2.78               | -                  | 0.10             | 0.09             |
| Benefits Paid                                                                                                  | (6,083.50)         | (5,165.42)         | (1,395.80)       | (1,559.11)       |
| Actuarial Gains / (Losses) on plan assets                                                                      | 2,791.26           | 6,239.91           | 213.69           | 458.61           |
| <b>Closing fair value of plan assets as at 31<sup>st</sup> March</b>                                           | <b>1,67,431.25</b> | <b>1,51,643.97</b> | <b>13,047.08</b> | <b>12,557.09</b> |
| <b>Reconciliation of present value of the obligation and fair value of the plan assets</b>                     |                    |                    |                  |                  |
| Present Value of funded obligation at the year end                                                             | 2,04,470.79        | 1,90,944.96        | 13,898.61        | 13,269.85        |
| Fair Value of plan assets at the year end                                                                      | 1,67,431.25        | 1,51,643.97        | 13,047.08        | 12,557.09        |
| Deficit/(Surplus)                                                                                              | 37,039.54          | 39,300.99          | 851.53           | 712.76           |
| Unrecognised Past Service Cost (Vested) Closing Balance                                                        | -                  | -                  | -                | -                |
| Unrecognised Transitional Liability Closing Balance                                                            | -                  | -                  | -                | -                |
| <b>Net Liability/(Asset )</b>                                                                                  | <b>37,039.54</b>   | <b>39,300.99</b>   | <b>851.53</b>    | <b>712.76</b>    |
| <b>Amount Recognised in the Balance Sheet</b>                                                                  |                    |                    |                  |                  |
| Liabilities                                                                                                    | 2,04,470.79        | 1,90,944.96        | 13,898.61        | 13,269.85        |
| Assets                                                                                                         | 1,67,431.25        | 1,51,643.97        | 13,047.08        | 12,557.09        |
| Net Liability / (Asset) recognised in Balance Sheet                                                            | 37,039.54          | 39,300.99          | 851.53           | 712.76           |
| Unrecognised Past Service Cost (Vested) Closing Balance                                                        | -                  | -                  | -                | -                |
| Unrecognised Transitional Liability Closing Balance                                                            | -                  | -                  | -                | -                |
| <b>Net Liability/ (Asset)</b>                                                                                  | <b>37,039.54</b>   | <b>39,300.99</b>   | <b>851.53</b>    | <b>712.76</b>    |
| <b>Net Cost recognised in the profit and loss account</b>                                                      |                    |                    |                  |                  |
| Current Service Cost                                                                                           | 1,109.80           | 956.93             | 536.52           | 510.49           |
| Interest Cost                                                                                                  | 13,805.32          | 11,537.02          | 956.35           | 953.63           |
| Expected return on plan assets                                                                                 | (10,963.86)        | (9,786.42)         | (904.00)         | (852.08)         |
| Expected Contributions by the employees                                                                        | (2.78)             | -                  | (0.10)           | (0.09)           |
| Past Service Cost (Amortised) Recognised                                                                       | -                  | -                  | -                | -                |
| Past Service Cost (Vested Benefits) Recognised                                                                 | -                  | 7,100.00           | -                | 8.48             |
| Net Actuarial Losses / (Gains) recognised during the year                                                      | 9,092.69           | 19,985.10          | 317.77           | 137.98           |
| <b>Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"</b> | <b>13,041.17</b>   | <b>29,792.63</b>   | <b>906.54</b>    | <b>758.41</b>    |
| <b>Reconciliation of expected return and actual return on Plan Assets</b>                                      |                    |                    |                  |                  |
| Expected Return on Plan Assets                                                                                 | 10,963.86          | 9,786.42           | 904.00           | 852.08           |
| Actuarial Gains/ (Losses) on Plan Assets                                                                       | 2,791.26           | 6,239.91           | 213.69           | 458.61           |
| <b>Actual Return on Plan Assets</b>                                                                            | <b>13,755.12</b>   | <b>16,026.33</b>   | <b>1,117.69</b>  | <b>1,310.69</b>  |
| <b>Reconciliation of opening and closing net liability/(asset) recognised in Balance Sheet</b>                 |                    |                    |                  |                  |
| Opening Net Liability/(Asset) as at 1 <sup>st</sup> April                                                      | 39,300.99          | 23,817.72          | 712.76           | 1,361.90         |
| Expenses as recognised in profit and loss account                                                              | 13,041.17          | 29,792.63          | 906.54           | 758.41           |
| Paid by SBI Directly                                                                                           | (7,189.74)         | (6,674.84)         | -                | -                |

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forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

(₹ in Crore)

| Particulars                                              | Pension Plans    |                  | Gratuity Plans |               |
|----------------------------------------------------------|------------------|------------------|----------------|---------------|
|                                                          | Current Year     | Previous Year    | Current Year   | Previous Year |
| Debited to Other Provision                               | -                | -                | -              | -             |
| Recognised in Reserve                                    | -                | -                | -              | -             |
| Liability pertains to incoming Joint Venture             | -                | -                | 0.23           | -             |
| Employer's Contribution                                  | (8,112.88)       | (7,634.52)       | (768.00)       | (1,407.55)    |
| <b>Net liability/(Asset) recognised in Balance Sheet</b> | <b>37,039.54</b> | <b>39,300.99</b> | <b>851.53</b>  | <b>712.76</b> |

### Investments under Plan Assets of Gratuity Fund & Pension Fund as on 31<sup>st</sup> March 2025 are as follows:

| Category of Assets                                         | Pension Fund     | Gratuity Fund    |
|------------------------------------------------------------|------------------|------------------|
|                                                            | % of Plan Assets | % of Plan Assets |
| Central Govt. Securities                                   | 12.71%           | 14.42%           |
| State Govt. Securities                                     | 38.41%           | 32.24%           |
| Debt Securities, Money Market Securities and Bank Deposits | 29.42%           | 24.57%           |
| ETF and Mutual Funds                                       | 16.58%           | 13.52%           |
| Insurer Managed Funds                                      | 1.07%            | 13.93%           |
| Others                                                     | 1.81             | 1.32%            |
| <b>Total</b>                                               | <b>100.00%</b>   | <b>100.00%</b>   |

### Principal actuarial assumptions:

| Particulars                           | Pension Plans |               |
|---------------------------------------|---------------|---------------|
|                                       | Current year  | Previous year |
| Discount Rate                         | 7.02%         | 7.23%         |
| Expected Rate of return on Plan Asset | 7.02%         | 7.23%         |
| Salary Escalation Rate                | 6.00%         | 6.00%         |
| Pension Escalation Rate               | 2.00%         | 2.00%         |
| Attrition Rate                        | 2.00%         | 2.00%         |

| Particulars                           | Gratuity Plans |               |
|---------------------------------------|----------------|---------------|
|                                       | Current year   | Previous year |
| Discount Rate                         | 6.82%          | 7.21%         |
| Expected Rate of return on Plan Asset | 6.82%          | 7.21%         |
| Salary Escalation Rate                | 6.00%          | 6.00%         |
| Attrition Rate                        | 2.00%          | 2.00%         |

The expected contribution to the Pension and Gratuity fund for the next year is ₹3,045.99 Crore and ₹1,400.71 Crore respectively.

In case of SBI, the plan assets are marked to market on the basis of the yield curve derived from government securities, the expected rate of return has been kept the same as the discount rate.

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.



### 2.2.1.2 Employees Provident Fund

Actuarial valuation carried out in respect of interest shortfall in Provident Fund Trust shows "Nil" liability, hence no provision is made in F.Y. 2024-25.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuaries:

| Particulars                                                                                                    | Provident Fund   |                  |
|----------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                                | Current Year     | Previous Year    |
| <b>Change in the present value of the defined benefit obligation</b>                                           |                  |                  |
| Opening defined benefit obligation as at 1 <sup>st</sup> April                                                 | <b>42,883.83</b> | <b>39,138.17</b> |
| Current Service Cost                                                                                           | 2,198.98         | 2,170.31         |
| Interest Cost                                                                                                  | 3,607.80         | 3,165.52         |
| Employee Contribution (including VPF)                                                                          | 2,942.53         | 2,925.93         |
| Actuarial losses/(gains)                                                                                       | (90.22)          | (5.03)           |
| Benefits paid                                                                                                  | (4,230.90)       | (4,511.07)       |
| Closing defined benefit obligation as at 31 <sup>st</sup> March                                                | <b>47,312.02</b> | <b>42,883.83</b> |
| <b>Change in Plan Assets</b>                                                                                   |                  |                  |
| Opening fair value of Plan Assets as at 1 <sup>st</sup> April                                                  | 43,685.13        | 40,122.71        |
| Expected Return on Plan Assets                                                                                 | 3,602.00         | 3,180.68         |
| Contributions                                                                                                  | 5,141.51         | 5,096.24         |
| Provision for loss on maturity of non-performing investment                                                    | -                | -                |
| Benefits Paid                                                                                                  | (4,348.70)       | (4,511.07)       |
| Actuarial Gains / (Loss) on plan Assets                                                                        | (434.71)         | (203.43)         |
| Closing fair value of plan assets as at 31 <sup>st</sup> March                                                 | <b>47,645.23</b> | <b>43,685.13</b> |
| <b>Reconciliation of present value of the obligation and fair value of the plan assets</b>                     |                  |                  |
| Present Value of Funded obligation at the year end                                                             | <b>47,312.02</b> | <b>42,883.83</b> |
| Fair Value of Plan assets at the year end                                                                      | 47,645.23        | 43,685.13        |
| Deficit/(Surplus)                                                                                              | (333.21)         | (801.30)         |
| Net Asset not recognised in Balance Sheet                                                                      | <b>(333.21)</b>  | <b>801.30</b>    |
| <b>Net Cost recognised in the profit and loss account</b>                                                      |                  |                  |
| Current Service Cost                                                                                           | 2,198.98         | 2,170.31         |
| Interest Cost                                                                                                  | 3,607.80         | 3,165.52         |
| Expected return on plan assets                                                                                 | (3,602.00)       | (3,180.68)       |
| Interest shortfall reversed                                                                                    | -                | -                |
| <b>Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"</b> | <b>2,204.78</b>  | <b>2,155.15</b>  |
| <b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b>                |                  |                  |
| Opening Net Liability as at 1 <sup>st</sup> April                                                              | -                | -                |
| Expense as above                                                                                               | 2,204.78         | 2,155.15         |
| Employer's Contribution                                                                                        | (2,204.78)       | (2,155.15)       |
| <b>Net Liability/(Asset) Recognised in the Balance Sheet</b>                                                   | <b>-</b>         | <b>-</b>         |



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forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### Investments under Plan Assets of Provident Fund as on 31<sup>st</sup> March 2025 are as follows:

| Category of Assets                                         | Provident Fund   |
|------------------------------------------------------------|------------------|
|                                                            | % of Plan Assets |
| Central Govt. Securities                                   | 16.53%           |
| State Govt. Securities                                     | 38.34%           |
| Debt Securities, Money Market Securities and Bank Deposits | 31.96%           |
| Mutual Funds                                               | 10.13%           |
| Others                                                     | 3.04%            |
| <b>Total</b>                                               | <b>100.00%</b>   |

### Principal actuarial assumptions

| Particulars       | Provident Fund |               |
|-------------------|----------------|---------------|
|                   | Current year   | Previous year |
| Discount Rate     | 6.82%          | 7.21%         |
| Guaranteed Return | 8.25%          | 8.15%         |
| Attrition Rate    | 2.00%          | 2.00%         |
| Salary Escalation | 6.00%          | 6.00%         |

- i) There is a guaranteed return applicable to liability under SBI Employees Provident Fund which shall not be lower of either:
  - (a) one half percent above the average standard rate (adjusted up or down to the interest one quarter per cent) quoted by the bank for new deposits fixed for twelve months in the preceding year (ending on the preceding the 31<sup>st</sup> day of March); or
  - (b) three percent per annum, subject to approval of Executive Committee.
- ii) The rules of the SBI Life Insurance Company Ltd.'s Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company.

### 2.2.2 Defined Contribution Plans

#### 2.2.2.1 Employees Provident Fund

An amount of ₹89.65 Crore (Previous Year ₹64.17 Crore) is contributed towards the Provident Fund Scheme by the group (excluding the entities covered in Note 2.2.1.2) and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

#### 2.2.2.2 Defined Contribution Pension Scheme

SBI has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining SBI on or after 1<sup>st</sup> August 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2024-25, SBI contributed ₹1,797.66 Crore (Previous Year ₹1,552.41 Crore).

#### 2.2.2.3 The following amount is provided by the group (excluding SBI) towards Defined Contribution Plans:

| Sl. No.      | Long Term Employees' Benefits        | (₹ in Crore) |               |
|--------------|--------------------------------------|--------------|---------------|
|              |                                      | Current Year | Previous Year |
| 1            | Employee Pension Scheme under PF Act | 37.15        | 44.06         |
| 2            | National Pension System              | 23.89        | 10.32         |
| 3            | Others                               | 15.38        | 14.80         |
| <b>Total</b> |                                      | <b>76.42</b> | <b>69.18</b>  |

### 2.2.3 Long Term Employee Benefits (Unfunded Obligation):

#### 2.2.3.1 Accumulating Compensated Absences (Privilege Leave)

The following table sets out the status of Accumulating Compensated Absences (Privilege Leave) as per Actuarial valuation by independent Actuaries:

| Particulars                                                                                                    | Accumulating Compensated Absences (Privilege Leave) |                  |
|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|------------------|
|                                                                                                                | Current Year                                        | Previous Year    |
| <b>Change in the present value of the defined benefit obligation</b>                                           |                                                     |                  |
| Opening defined benefit obligation as at 1 <sup>st</sup> April                                                 | <b>13,554.79</b>                                    | <b>11,078.32</b> |
| Current Service Cost                                                                                           | 464.43                                              | 365.78           |
| Interest Cost                                                                                                  | 976.69                                              | 828.31           |
| Liability pertains to incoming Joint Venture                                                                   | 0.17                                                | -                |
| Actuarial losses/(gains)                                                                                       | 2,108.56                                            | 2,378.98         |
| Benefits paid                                                                                                  | (1,196.42)                                          | (1,096.60)       |
| Closing defined benefit obligation as at 31 <sup>st</sup> March                                                | <b>15,908.22</b>                                    | <b>13,554.79</b> |
| <b>Net Cost recognised in the profit and loss account</b>                                                      |                                                     |                  |
| Current Service Cost                                                                                           | 464.43                                              | 365.78           |
| Interest Cost                                                                                                  | 976.69                                              | 828.31           |
| Actuarial (Gain)/ Losses                                                                                       | 2,108.56                                            | 2,378.98         |
| <b>Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"</b> | <b>3,549.68</b>                                     | <b>3,573.07</b>  |
| <b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b>                |                                                     |                  |
| Opening Net Liability as at 1 <sup>st</sup> April                                                              | <b>13,554.79</b>                                    | <b>11,078.32</b> |
| Expense as above                                                                                               | 3,549.68                                            | 3,573.07         |
| Liability pertains to incoming Joint Venture                                                                   | 0.17                                                | -                |
| Employer's Contribution                                                                                        | -                                                   | -                |
| Benefit paid directly by the Employer                                                                          | (1,196.42)                                          | (1,096.60)       |
| <b>Net Liability/(Asset) recognised in the Balance Sheet</b>                                                   | <b>15,908.22</b>                                    | <b>13,554.79</b> |

#### Principal actuarial assumptions:

| Particulars       | Current Year | Previous Year |
|-------------------|--------------|---------------|
| Discount Rate     | 6.82%        | 7.21%         |
| Salary Escalation | 6.00%        | 6.00%         |
| Attrition Rate    | 2.00%        | 2.00%         |

#### Accumulating Compensated Absences (Privilege Leave) (excluding the entities covered in above table)

An amount of ₹79.15 Crore (Previous Year ₹62.56 Crore) is provided by the group (excluding the entities covered in above table) towards Privilege Leave (Encashment) including leave encashment at the time of retirement and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

#### 2.2.3.2 Other Long Term Employee Benefits

Amount of ₹94.40 Crore (Previous Year ₹198.87 Crore) is provided by the group towards Other Long Term Employee Benefits viz. Leave Travel and Home Travel Concession (Encashment/Availment), Silver Jubilee/Long Term Service Award, Resettlement Expenses on Superannuation and Retirement Award and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

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**2.2.4** The employee benefits listed above are in respect of the employees of the Group based in India. The employees of the foreign operations are not covered in the above schemes.

### 2.3 Accounting Standard- 17 "Segment Reporting":

#### 2.3.1 Segment identification

##### A) Primary (Business Segment)

The following are the Primary Segments of the Group:

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Insurance Business
- Other Banking Business

The present accounting and information system of the Group does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the Primary Segments have been computed as under:

- a) **Treasury:** The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.
- b) **Corporate / Wholesale Banking:** The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices/entities.
- c) **Retail Banking:** The Retail Banking Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs. As per RBI Circular DOR. AUT.REC.12/22.01.001/2022-23 dated 7<sup>th</sup> April 2022, for the purpose of disclosure under Accounting Standard 17 - Segment Reporting "Digital Banking" has been identified as a sub-segment under the "Retail Banking Segment".
- d) **Insurance Business:** The Insurance Business Segment comprises of the results of SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd.
- e) **Other Banking Business:** Segments not classified under (a) to (d) above are classified under this primary segment. This segment also includes the operations of all the Non-Banking Subsidiaries/Joint Ventures other than SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd. of the group.

##### B) Secondary (Geographical Segment):

- a) **Domestic Operations:** Branches, Subsidiaries and Joint Ventures having operations in India.
- b) **Foreign Operations:** Branches, Subsidiaries and Joint Ventures having operations outside India and offshore banking units having operations in India.

**C) Pricing of Inter-segmental Transfers**

The Retail Banking segment is the primary resource mobilising unit. The Corporate/Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

**D) Allocation of Revenue, Expenses, Assets and Liabilities**

Expenses of parent incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

The Group has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

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forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### 2.3.2 SEGMENT INFORMATION

#### PART A: PRIMARY (BUSINESS) SEGMENTS:

| Business Segment                                                             | Treasury       | Corporate /<br>Wholesale<br>Banking | Retail Banking     |                         | Total          | Insurance<br>Business | Other<br>Banking<br>Operations | TOTAL          |
|------------------------------------------------------------------------------|----------------|-------------------------------------|--------------------|-------------------------|----------------|-----------------------|--------------------------------|----------------|
|                                                                              |                |                                     | Digital<br>Banking | Other Retail<br>Banking |                |                       |                                |                |
| Revenue (before exceptional item)                                            | 1,34,627.51    | 1,48,999.81                         | 7,731.44           | 2,33,942.93             | 2,14,674.37    | 1,14,142.61           | 31,108.69                      | 6,70,552.99    |
|                                                                              | (1,24,225.02)  | (1,32,845.50)                       | (5,244.90)         | (2,04,491.84)           | (2,09,736.74)  | (1,05,459.40)         | (27,616.02)                    | (5,99,882.68)  |
| Unallocated Revenue                                                          |                |                                     |                    |                         |                |                       |                                | 1,815.45       |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (2,261.66)     |
| Less: Inter Segment Revenue                                                  |                |                                     |                    |                         |                |                       |                                | 9,025.12       |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (7,569.44)     |
| Total Revenue                                                                |                |                                     |                    |                         |                |                       |                                | 6,63,343.32    |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (5,94,574.90)  |
| Result (before exceptional items)                                            | 16,236.59      | 29,009.09                           | 15,362.84          | 43,798.28               | 59,161.12      | 3,369.87              | 8,376.83                       | 1,16,153.50    |
|                                                                              | (14,244.56)    | (40,797.94)                         | (7,796.87)         | (32,143.29)             | (39,940.16)    | (2,404.12)            | (8,161.49)                     | (1,05,548.27)  |
| Less: Exceptional items                                                      |                |                                     |                    |                         |                |                       |                                | -              |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (7,100.00)     |
| Result (after exceptional items)                                             |                |                                     |                    |                         |                |                       |                                | 1,16,153.50    |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (98,448.27)    |
| Unallocated Income(+)/ Expenses(-) net                                       |                |                                     |                    |                         |                |                       |                                | -9,788.20      |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (-7,208.23)    |
| Profit/(Loss) Before Tax                                                     |                |                                     |                    |                         |                |                       |                                | 1,06,365.30    |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (91,240.04)    |
| Taxes                                                                        |                |                                     |                    |                         |                |                       |                                | 27,348.14      |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (23,101.78)    |
| Extraordinary Profit                                                         |                |                                     |                    |                         |                |                       |                                | -              |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (-)            |
| Net Profit/(Loss) before share in profit in Associates and Minority Interest |                |                                     |                    |                         |                |                       |                                | 79,017.16      |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (68,138.26)    |
| Add: Share in Profit in Associates                                           |                |                                     |                    |                         |                |                       |                                | 1,505.47       |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (1,405.16)     |
| Less: Minority Interest                                                      |                |                                     |                    |                         |                |                       |                                | 2,961.29       |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (2,458.75)     |
| Net Profit/(Loss) for the Group                                              |                |                                     |                    |                         |                |                       |                                | 77,561.34      |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (67,084.67)    |
| <b>Other Information:</b>                                                    |                |                                     |                    |                         |                |                       |                                |                |
| Segment Assets                                                               | 17,93,715.85   | 19,61,388.61                        | 86,505.30          | 27,96,967.68            | 28,83,472.98   | 4,79,213.95           | 1,17,702.33                    | 72,35,493.72   |
|                                                                              | (18,05,145.08) | (17,37,823.44)                      | (75,117.91)        | (25,38,954.68)          | (26,14,072.59) | (4,17,545.67)         | (99,852.13)                    | (66,74,438.91) |
| Unallocated Assets                                                           |                |                                     |                    |                         |                |                       |                                | 78,691.62      |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (59,339.89)    |
| Total Assets                                                                 |                |                                     |                    |                         |                |                       |                                | 73,14,185.34   |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (67,33,778.80) |
| Segment Liabilities                                                          | 15,50,224.97   | 17,86,889.78                        | 9,08,506.47        | 17,79,917.33            | 26,88,423.80   | 4,57,657.07           | 84,853.21                      | 65,68,048.83   |
|                                                                              | (15,97,152.27) | (16,56,663.36)                      | (6,95,316.15)      | (16,90,063.26)          | (23,85,379.41) | (3,98,131.10)         | (73,759.55)                    | (61,11,085.69) |
| Unallocated Liabilities                                                      |                |                                     |                    |                         |                |                       |                                | 2,59,099.75    |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (2,07,753.94)  |
| Total Liabilities                                                            |                |                                     |                    |                         |                |                       |                                | 68,27,148.58   |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (63,18,839.63) |

(i) Income/Expenses are for the whole year. Assets/Liabilities are as at 31<sup>st</sup> March 2025.

(ii) Figures within brackets are for previous year.

## PART B: SECONDARY (GEOGRAPHIC) SEGMENTS

(₹ in Crore)

|                                      | Domestic     |               | Foreign      |               | Total        |               |
|--------------------------------------|--------------|---------------|--------------|---------------|--------------|---------------|
|                                      | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Revenue (before exceptional items) # | 6,14,607.12  | 5,49,738.03   | 48,736.20    | 44,836.87     | 6,63,343.32  | 5,94,574.90   |
| Net Profit#                          | 63,897.01    | 53,693.65     | 13,664.33    | 13,391.02     | 77,561.34    | 67,084.67     |
| Assets *                             | 64,46,196.87 | 59,93,897.80  | 8,67,988.47  | 7,39,881.00   | 73,14,185.34 | 67,33,778.80  |
| Liabilities*                         | 59,71,457.12 | 55,89,635.44  | 8,55,691.46  | 7,29,204.19   | 68,27,148.58 | 63,18,839.63  |

# For the year ended 31st March 2025.

\* As at 31<sup>st</sup> March, 2025.

## 2.4 Accounting Standard-18 “Related Party Disclosures”:

### 2.4.1 Related Parties to the Group:

#### A) JOINT VENTURES:

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

#### B) ASSOCIATES:

##### i) Regional Rural Banks

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

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forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### ii) Others

1. The Clearing Corporation of India Ltd. (up to 08.08.2024)
2. Bank of Bhutan Ltd.
3. Yes Bank Ltd.
4. Investec Capital Services (India) Private Limited

### C) Key Management Personnel of SBI:

1. Shri Challa Sreenivasulu Setty, Chairman (from 28<sup>th</sup> August 2024)
2. Shri Dinesh Kumar Khara, Chairman (up to 27<sup>th</sup> August 2024)
3. Shri Challa Sreenivasulu Setty, Managing Director (International Banking, Global Markets & Technology, upto 27<sup>th</sup> August 2024)
4. Shri Ashwini Kumar Tewari, Managing Director (Corporate Banking & Subsidiaries)
5. Shri Alok Kumar Choudhary, Managing Director (Risk, Compliance & SARG) (upto 30<sup>th</sup> June 2024)
6. Shri Vinay M. Tonse, Managing Director (Retail Business & Operations)
7. Shri Rana Ashutosh Kumar Singh, Managing Director (Risk, Compliance & SARG) (from 7<sup>th</sup> August 2024)
8. Shri Rama Mohan Rao Amara, Managing Director (International Banking, Global Markets & Technology) (from 18<sup>th</sup> December 2024)

### 2.4.2 Related Parties with whom transactions were entered into during the year:

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

### 2.4.3 Transactions and Balances:

| (₹ in Crore)                                          |                                   |                                                     |          |                                   |                                                     |          |
|-------------------------------------------------------|-----------------------------------|-----------------------------------------------------|----------|-----------------------------------|-----------------------------------------------------|----------|
| Particulars                                           | Associates/<br>Joint Ventures     | Key<br>Management<br>Personnel &<br>their relatives | Total    | Associates/<br>Joint Ventures     | Key<br>Management<br>Personnel &<br>their relatives | Total    |
| <b>Outstanding as at</b>                              | <b>31<sup>st</sup> March 2025</b> |                                                     |          | <b>31<sup>st</sup> March 2024</b> |                                                     |          |
| Borrowings                                            | 40.03                             | -                                                   | 40.03    | 408.64                            | -                                                   | 408.64   |
| Deposit                                               | 622.37                            | -                                                   | 622.37   | 1,938.05                          | -                                                   | 1,938.05 |
| Other Liabilities                                     | 19.64                             | -                                                   | 19.64    | 77.09                             | -                                                   | 77.09    |
| Balance with Banks and Money at call and short notice | 0.45                              | -                                                   | 0.45     | 4.82                              | -                                                   | 4.82     |
| Advance                                               | 3,116.64                          | -                                                   | 3,116.64 | 1,868.59                          | -                                                   | 1,868.59 |
| Investment                                            | 7,972.14                          | -                                                   | 7,972.14 | 8,032.79                          | -                                                   | 8,032.79 |
| Other Assets                                          | 9.00                              | -                                                   | 9.00     | 465.66                            | -                                                   | 465.66   |
| Non-fund commitments (LCs/BGs)                        | 237.05                            | -                                                   | 237.05   | 96.23                             | -                                                   | 96.23    |
| <b>Maximum outstanding</b>                            | <b>During FY 2024-25</b>          |                                                     |          | <b>During FY 2023-24</b>          |                                                     |          |
| Borrowings                                            | 1,141.06                          | -                                                   | 1,141.06 | 1,518.00                          | -                                                   | 1,518.00 |
| Deposit                                               | 3,516.89                          | -                                                   | 3,516.89 | 6,410.68                          | -                                                   | 6,410.68 |
| Other Liabilities                                     | 173.95                            | -                                                   | 173.95   | 104.62                            | -                                                   | 104.62   |
| Balance with Banks and Money at call and short notice | 7.88                              | -                                                   | 7.88     | 709.14                            | -                                                   | 709.14   |
| Advance                                               | 3,250.62                          | -                                                   | 3,250.62 | 2,204.87                          | -                                                   | 2,204.87 |
| Investment                                            | 8,032.79                          | -                                                   | 8,032.79 | 8,233.17                          | -                                                   | 8,233.17 |
| Other Assets                                          | 723.07                            | -                                                   | 723.07   | 513.25                            | -                                                   | 513.25   |
| Non-fund commitments (LCs/BGs)                        | 237.05                            | -                                                   | 237.05   | 96.23                             | -                                                   | 96.23    |

(₹ in Crore)

| Particulars                                             | Associates/<br>Joint Ventures | Key<br>Management<br>Personnel &<br>their relatives | Total  | Associates/<br>Joint Ventures | Key<br>Management<br>Personnel &<br>their relatives | Total  |
|---------------------------------------------------------|-------------------------------|-----------------------------------------------------|--------|-------------------------------|-----------------------------------------------------|--------|
| During the year                                         | During FY 2024-25             |                                                     |        | During FY 2023-24             |                                                     |        |
| Interest Income                                         | 395.45                        | -                                                   | 395.45 | 143.15                        | -                                                   | 143.15 |
| Interest expenditure                                    | 93.29                         | -                                                   | 93.29  | 148.14                        | -                                                   | 148.14 |
| Income earned by way of dividend                        | 29.34                         | -                                                   | 29.34  | 26.89                         | -                                                   | 26.89  |
| Other Income                                            | 5.59                          | -                                                   | 5.59   | 3.66                          | -                                                   | 3.66   |
| Other expenditure                                       | 92.30                         | -                                                   | 92.30  | 71.18                         | -                                                   | 71.18  |
| Profit/(loss) on sale of land/building and other assets | 1.61                          | -                                                   | 1.61   | (1.92)                        | -                                                   | (1.92) |
| Management contracts                                    | -                             | 2.56                                                | 2.56   | -                             | 2.21                                                | 2.21   |

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

## 2.5 Accounting Standard-19 "Leases":

### 2.5.1 Finance Leases

Assets taken on Financial Leases on or after 1st April 2001:

The details of financial leases are given below:

(₹ in Crore)

| Particulars                                            | As at<br>31 <sup>st</sup> March 2025 | As at<br>31 <sup>st</sup> March 2024 |
|--------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Total Minimum lease payments outstanding</b>        |                                      |                                      |
| Less than 1 year                                       | 33.78                                | 75.86                                |
| 1 to 5 years                                           | 55.63                                | 210.69                               |
| 5 years and above                                      | 92.05                                | 93.71                                |
| <b>Total</b>                                           | <b>181.46</b>                        | <b>380.26</b>                        |
| <b>Interest Cost payable</b>                           |                                      |                                      |
| Less than 1 year                                       | 1.81                                 | 21.35                                |
| 1 to 5 years                                           | 2.00                                 | 27.76                                |
| 5 years and above                                      | 29.76                                | 2.75                                 |
| <b>Total</b>                                           | <b>33.57</b>                         | <b>51.86</b>                         |
| <b>Present value of minimum lease payments payable</b> |                                      |                                      |
| Less than 1 year                                       | 31.97                                | 54.51                                |
| 1 to 5 years                                           | 53.63                                | 182.93                               |
| 5 years and above                                      | 62.29                                | 90.96                                |
| <b>Total</b>                                           | <b>147.89</b>                        | <b>328.40</b>                        |



## Schedules

forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### 2.5.2 Operating Lease

Premises taken on operating lease are given below:

Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the group entities.

Liability for Premises taken on Non-Cancellable operating lease are given below:

| Particulars                                  | (₹ in Crore)                         |                                      |
|----------------------------------------------|--------------------------------------|--------------------------------------|
|                                              | As at<br>31 <sup>st</sup> March 2025 | As at<br>31 <sup>st</sup> March 2024 |
| Not later than 1 year                        | 129.77                               | 153.12                               |
| Later than 1 year and not later than 5 years | 586.34                               | 287.42                               |
| Later than 5 years                           | 173.81                               | 126.76                               |
| <b>Total</b>                                 | <b>889.92</b>                        | <b>567.30</b>                        |

Amount of lease payments recognised in the Profit & Loss Account for the year is ₹4,961.16 Crore (Previous Year ₹4,720.64 Crore).

### 2.6 Accounting Standard-20 "Earnings per Share":

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - "Earnings per Share". "Basic earnings" per share is computed by dividing consolidated net profit/ (loss) after tax (other than minority) by the weighted average number of equity shares outstanding during the year.

| Particulars                                                                         | Current Year  | Previous Year |
|-------------------------------------------------------------------------------------|---------------|---------------|
| <b>Basic and diluted</b>                                                            |               |               |
| Number of Equity Shares outstanding at the beginning of the year                    | 892,46,11,934 | 892,46,11,934 |
| Number of Equity Shares issued during the year                                      | 8,100         | -             |
| Number of Equity Shares outstanding at the end of the year                          | 892,46,20,034 | 892,46,11,934 |
| Weighted average number of equity shares used in computing basic earnings per share | 892,46,17,147 | 892,46,11,934 |
| Weighted average number of shares used in computing diluted earnings per share      | 892,46,17,147 | 892,46,11,934 |
| Net Profit/(Loss) for the Group (₹ in Crore)                                        | 77,561.34     | 67,084.67     |
| Basic earnings per share (₹)                                                        | 86.91         | 75.17         |
| Diluted earnings per share (₹)                                                      | 86.91         | 75.17         |
| Nominal value per share (₹)                                                         | 1.00          | 1.00          |

### 2.7 Accounting Standard-22 "Accounting for Taxes on Income":

- During the year, ₹464.15 Crore has been credited to Profit and Loss Account (Previous Year ₹2,269.31 Crore) on account of deferred tax.
- The breakup of deferred tax assets and liabilities into major items is given below:

| Particulars                                 | (₹ in Crore)                         |                                      |
|---------------------------------------------|--------------------------------------|--------------------------------------|
|                                             | As at<br>31 <sup>st</sup> March 2025 | As at<br>31 <sup>st</sup> March 2024 |
| <b>Deferred Tax Assets (DTA)</b>            |                                      |                                      |
| Provision for long term employee Benefits   | 13,489.91                            | 13,707.66                            |
| Provision for advances                      | 6,375.49                             | 6,247.29                             |
| Provision for Other Assets/ Other Liability | 2,636.94                             | 3,033.08                             |
| On Accumulated Losses                       | 10.05                                | 30.32                                |
| On Foreign Currency Translation Reserve     | 1,325.89                             | 1,101.26                             |
| Depreciation on Fixed Assets                | 449.44                               | 456.74                               |
| DTAs on account of FOs of SBI               | 502.20                               | 432.86                               |
| Mark to Market gain on Investments          | 24.26                                | -                                    |
| Others                                      | 283.85                               | 261.70                               |
| <b>Total</b>                                | <b>25,098.03</b>                     | <b>25,270.91</b>                     |

(₹ in Crore)

| Particulars                                                    | As at<br>31 <sup>st</sup> March 2025 | As at<br>31 <sup>st</sup> March 2024 |
|----------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Deferred Tax Liabilities (DTL)</b>                          |                                      |                                      |
| Depreciation on Fixed Assets                                   | 32.28                                | 38.68                                |
| Interest accrued but not due on securities                     | 7,328.15                             | 7,191.40                             |
| Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961 | 5,301.47                             | 4,914.57                             |
| DTLs on account of FOs of SBI                                  | 54.93                                | 7.60                                 |
| ICDS – Interest on Income Tax Refund accrued and not received  | 686.38                               | 990.32                               |
| Mark to Market gain on Investments                             | 1,905.68                             | -                                    |
| Others                                                         | 202.43                               | 10.85                                |
| <b>Total</b>                                                   | <b>15,511.32</b>                     | <b>13,153.42</b>                     |
| <b>Net Deferred Tax Assets/(Liabilities)</b>                   | <b>9,586.71</b>                      | <b>12,117.49</b>                     |

- iii) SBI had exercised the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 from the financial year 2019-20 onwards.
- iv) SBI has branches/offices having operations outside India and in eight countries in which it is operating branches, Piller Two legislation is enacted or substantively enacted but not yet in effect for the major part of reporting period. For the FY 2024-25, these foreign branches has not paid any taxes under Piller Two legislation.

## 2.8 Accounting Standard-28 “Impairment of assets”:

In the opinion of the Management, there is no impairment to the non-monetary assets during the year.

## 2.9 Accounting Standard – 29 “Provisions, Contingent Liabilities and Contingent Assets” :

### ➤ Provisions and contingencies recognised in Profit and Loss Account:

The breakup of provisions is given in the table below :

(₹ in Crore)

| Sr. No. | Break up of “Provisions and Contingencies” shown under head Expenditure in Profit and loss account | As at<br>31 <sup>st</sup> March 2025 | As at<br>31 <sup>st</sup> March 2024 |
|---------|----------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| a       | Provision for Taxation                                                                             |                                      |                                      |
|         | - Current Tax                                                                                      | 27,822.46                            | 25,361.28                            |
|         | - Deferred Tax Asset created                                                                       | (464.15)                             | (2,269.31)                           |
|         | - (Write Back)/Additional Provision of Income Tax                                                  | (10.17)                              | 9.81                                 |
| b       | Provision on Non-Performing Assets                                                                 | 18,533.66                            | 12,193.57                            |
| c       | Provision on Restructured Assets                                                                   | (28.14)                              | 48.30                                |
| d       | Provision on Standard Assets                                                                       | 338.09                               | (1,264.48)                           |
| e       | Provision for Depreciation on Investments                                                          | 482.88                               | (604.11)                             |
| f       | Other Provisions                                                                                   | 134.68                               | (2,668.31)                           |
|         | <b>Total</b>                                                                                       | <b>46,809.31</b>                     | <b>30,806.75</b>                     |

(Figures in brackets indicate credit)

### ➤ Floating provisions:

(₹ in Crore)

| Sr No. | Particulars               | Current Year  | Previous Year |
|--------|---------------------------|---------------|---------------|
| a      | Opening Balance           | 193.75        | 193.75        |
| b      | Addition during the year  | -             | -             |
| c      | Draw down during the year | -             | -             |
| d      | <b>Closing balance</b>    | <b>193.75</b> | <b>193.75</b> |

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forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> March 2025

### ➤ Description of contingent liabilities (AS-29):

| Sr. No | Particulars                                                                                 | Brief Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1      | Claims against the Group not acknowledged as debts                                          | The Group is a party to various proceedings in the normal course of business. It does not expect the outcome of these proceedings to have a material adverse effect on the Group's financial conditions, results of operations or cash flows. The Group is also a party to various taxation matters in respect of which appeals are pending.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 2      | Liability on partly paid-up investments/ Venture Funds                                      | This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 3      | Liability on account of outstanding forward exchange contracts                              | The Group enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as contingent liabilities. With respect to the transactions entered into with its customers, the Group generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.                                                                                                                                                                                                                                             |
| 4      | Guarantees given on behalf of constituents, acceptances, endorsements and other obligations | As a part of its commercial banking activities, the Group issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Group. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 5      | Other items for which the Group is contingently liable                                      | The Group enters into currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by SBI on behalf of Associates & Subsidiaries, SBI's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities. |

The contingent liabilities mentioned above are dependent upon the outcome of court/arbitration/out of court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvment and raising of demand by concerned parties, as the case may be.

### ➤ Movement of provisions against contingent liabilities:

The movement of provisions against contingent liabilities given in the table below:

|        |                                        | (₹ in Crore)    |                 |
|--------|----------------------------------------|-----------------|-----------------|
| Sr No. | Particulars                            | Current Year    | Previous Year   |
| a      | Opening Balance                        | 2,620.39        | 3,115.33        |
| b      | Additions during the year              | 199.37          | 138.63          |
| c      | Amount utilised during the year        | 9.39            | 534.19          |
| d      | Unused amount reversed during the year | 273.05          | 99.38           |
| e      | <b>Closing balance</b>                 | <b>2,537.32</b> | <b>2,620.39</b> |

- Inter-Bank/ Company balances between group entities are being reconciled on an ongoing basis and there is no material effect on the profit and loss account of the current year.
- No disclosure on divergence in asset classification and provisioning for NPAs is required by SBI with respect to RBI's supervisory process for the year ended 31<sup>st</sup> March 2024, based on the conditions mentioned in RBI circular No. DOR.ACC. REC.No.74/21.04.018/2022-23 dated 11<sup>th</sup> October 2022.

5. **Exceptional Items**

During the year ended 31<sup>st</sup> March 2024 SBI had recognised following as exceptional items:

- Provision of ₹5,400 Crore for estimated liability on account of pension at uniform rate of 50% for all pensioners prospectively, in place of existing dual rate of calculation of pension.
  - Provision of ₹1,700 Crore on account of ex-gratia benefit and neutralisation of Dearness Relief to pre-November 2002 retirees and family pensioners.
6. In SBI Life Insurance Company Ltd. and SBI General Insurance Company Ltd., the actuarial valuation of liabilities in respect of life insurance policies in force, life insurance policies in respect of which premium has been discontinued but liability exists as on 31<sup>st</sup> March 2025, Claims Incurred But Not Reported (IBNR), Claims Incurred But Not Enough Reported (IBNER) and Premium Deficiency Reserve (PDR) are determined by the Appointed Actuary based on guidelines and norms issued by the Insurance Regulatory Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with the IRDAI.
7. The investments of life and general insurance subsidiaries have been accounted for in accordance with the IRDAI guidelines instead of restating the same in accordance with the accounting policy followed by SBI. The investments of insurance subsidiaries constitute approximately 21.12% (Previous Year 18.90%) of the total investments as on 31<sup>st</sup> March 2025.
8. The Central Board of SBI has declared a dividend of ₹15.90 per share @ 1590% for the year ended 31<sup>st</sup> March 2025.
9. In accordance with RBI circular DBOD NO.BP.BC.42/21.01.02/2007-08, redeemable preference shares (if any) are treated as liabilities and the coupon payable thereon is treated as interest.
10. In accordance with current RBI guidelines, the general clarification issued by ICAI has been considered in the preparation of the consolidated financial statements. Accordingly, additional statutory information disclosed in separate financial statements of the parent and its subsidiaries having no bearing on the true and fair view of the consolidated financial statements and also the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements in view of the Accounting Standard Interpretation issued by ICAI.
11. Previous year figures have been regrouped/reclassified, wherever necessary, to conform to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines/Accounting Standards, previous year's figures have not been mentioned.

# State Bank of India

Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2025

(000s omitted)

| PARTICULARS                                                                                             | Year ended<br>31.03.2025<br>₹ | Year ended<br>31.03.2024<br>₹ |
|---------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                                              |                               |                               |
| Net Profit/(Loss) before taxes (including share in profit from associates and net of minority interest) | 104909,47,68                  | 90186,44,73                   |
| <b>Adjustments for :</b>                                                                                |                               |                               |
| Depreciation on Fixed Assets                                                                            | 3991,47,67                    | 3849,12,45                    |
| (Profit)/Loss on sale of Fixed Assets (Net)                                                             | 16,22,93                      | 25,20,54                      |
| (Profit)/Loss on revaluation of Investments (Net)                                                       | (5179,37,94)                  | (4892,78,72)                  |
| (Profit)/ Loss on sale of Investments in Subsidiaries/Joint Ventures/ Associates                        | 7,51,90                       | -                             |
| Provision on Non-Performing Assets                                                                      | 18505,51,54                   | 12241,86,70                   |
| Provision on Standard Assets                                                                            | 338,09,15                     | (1264,47,25)                  |
| Provision on non-performing Investments                                                                 | 482,88,52                     | (604,11,07)                   |
| Other Provisions including provision for contingencies                                                  | 134,67,73                     | (2668,30,83)                  |
| Share in Profit of Associates                                                                           | (1505,47,09)                  | (1405,15,43)                  |
| Income from Investment in Associates                                                                    | (8,81,46)                     | (5,57,19)                     |
| Interest charged on Capital Instruments                                                                 | 11922,81,50                   | 9661,52,37                    |
|                                                                                                         | <b>133615,02,13</b>           | <b>105123,76,30</b>           |
| <b>Adjustments for :</b>                                                                                |                               |                               |
| Increase/(Decrease) in Deposits                                                                         | 473360,53,19                  | 498001,98,04                  |
| Increase/(Decrease) in Borrowings other than Capital Instruments                                        | (35148,35,79)                 | 112581,10,52                  |
| (Increase)/Decrease in Investments other than Investment in Subsidiaries / Joint Ventures / Associates  | (81890,96,68)                 | (190457,10,79)                |
| (Increase)/Decrease in Advances                                                                         | (485063,58,13)                | (528612,41,02)                |
| Increase/(Decrease) in Other Liabilities                                                                | 56832,98,78                   | 102500,27,51                  |
| (Increase)/Decrease in Other Assets                                                                     | 20542,10,47                   | (46236,90,64)                 |
|                                                                                                         | 82247,73,97                   | 52900,69,92                   |
| Tax refund / (Taxes paid)                                                                               | <b>(33761,44,51)</b>          | <b>(31268,26,82)</b>          |
| <b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>                                         | <b>(A) 48486,29,46</b>        | <b>21632,43,10</b>            |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                                              |                               |                               |
| (Purchase)/Sale of Investments in Subsidiaries/Joint Ventures/Associates                                | 100,00                        | (82,16,10)                    |
| Profit/(Loss) on sale of Investments in Subsidiaries/Joint Ventures/ Associates                         | (7,51,90)                     | -                             |
| Income received from Investment in Associates                                                           | 9,00,09                       | 5,57,19                       |
| (Increase)/Decrease in Fixed Assets                                                                     | (5637,22,41)                  | (4175,12,62)                  |
| <b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES</b>                                         | <b>(B) (5634,74,22)</b>       | <b>(4251,71,53)</b>           |

(000s omitted)

| PARTICULARS                                                                                                                                                                                             | Year ended<br>31.03.2025<br>₹ | Year ended<br>31.03.2024<br>₹ |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                                                                                                                                              |                               |                               |
| Proceeds of equity shares issued [on resolution of the dispute in respect of Right Issue 2008]                                                                                                          | 12,88                         | -                             |
| Issue of Capital Instruments                                                                                                                                                                            | 21500,00,00                   | 20164,64,79                   |
| Redemption of Capital Instruments                                                                                                                                                                       | (15103,90,00)                 | (14288,20,00)                 |
| Interest paid on Capital Instruments                                                                                                                                                                    | (10270,90,00)                 | (8589,25,32)                  |
| Dividend paid                                                                                                                                                                                           | (12226,71,83)                 | (10084,81,15)                 |
| Dividend tax paid by Subsidiaries/Joint Ventures                                                                                                                                                        | (31,84,93)                    | (12,40,81)                    |
| Increase/(Decrease) in Minority Interest                                                                                                                                                                | 2394,15,88                    | 2913,74,49                    |
| <b>NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)</b>                                                                                                                                     | <b>(13739,08,00)</b>          | <b>(9896,28,00)</b>           |
| <b>EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE (D)</b>                                                                                                                                        | <b>2248,16,69</b>             | <b>775,95,81</b>              |
| <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>                                                                                                                                 | <b>31360,63,93</b>            | <b>8260,39,38</b>             |
| <b>CASH AND CASH EQUIVALENTS AS AT 1ST APRIL</b>                                                                                                                                                        | <b>326572,30,35</b>           | <b>318311,90,97</b>           |
| <b>CASH AND CASH EQUIVALENTS AS AT 31ST MARCH</b>                                                                                                                                                       | <b>357932,94,28</b>           | <b>326572,30,35</b>           |
| <b>Notes:</b>                                                                                                                                                                                           |                               |                               |
| <b>1. Components of Cash &amp; Cash Equivalents as at:</b>                                                                                                                                              | <b>31.03.2025</b>             | <b>31.03.2024</b>             |
| Cash & Balances with Reserve Bank of India                                                                                                                                                              | 227485,15,69                  | 225356,33,61                  |
| Balances with Banks and money at call & short notice                                                                                                                                                    | 130447,78,59                  | 101215,96,74                  |
| <b>Total</b>                                                                                                                                                                                            | <b>357932,94,28</b>           | <b>326572,30,35</b>           |
| <b>2. Cash Flow from operating activities is reported by using indirect method.</b>                                                                                                                     |                               |                               |
| <b>3. As the impact of the RBI Master Direction dated 12.09.2023 for the period prior to 01.04.2024 (the transition date) is not ascertainable corresponding figures for FY23-24 are not regrouped.</b> |                               |                               |

**Shri Rama Mohan Rao Amara**  
Managing Director  
(International Banking, Global  
Markets & Technology)

**Shri Rana Ashutosh Kumar Singh**  
Managing Director  
(Risk, Compliance & SARG)

**Shri Vinay M. Tonse**  
Managing Director  
(Retail Business & Operations)

**Shri Ashwini Kumar Tewari**  
Managing Director  
(Corporate Banking & Subsidiaries)

In terms of our Report of even date

**For Ravi Rajan & Co LLP**  
Chartered Accountants  
FRN 009073N / N500320

**Shri Challa Sreenivasulu Setty**  
Chairman

**CA Sumit Kumar**  
Partner  
M. No. 512555

**Place: Mumbai**  
**Date: 3<sup>rd</sup> May 2025**

# Independent Auditors' Report

To,  
**The Board of Directors,  
State Bank of India,**

## Report on the Audit of Consolidated Financial Statements

### Opinion

1. We have audited the accompanying Consolidated Financial Statements of State Bank of India ("the Bank") and its subsidiaries (the bank and its subsidiaries together referred to as "the group"), its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Profit and Loss Account and the Statement of Consolidated Cash Flow for the year then ended, and Notes to the Consolidated Financial Statements including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the consolidated financial statements") which includes: (herein after referred to as the "CFS")
  - a) Audited Standalone Financial Statements of the Bank;
  - b) Audited Financial Statements of 10 Foreign Subsidiaries, 16 Domestic Subsidiaries, 02 Foreign Joint Ventures, 06 Domestic Joint Ventures, 17 Domestic Associates (including 14 Regional Rural Banks) audited by other Auditors; and (listed in Annexure A)
  - c) Un-audited Financial Statements of 01 Foreign Subsidiary and 01 Foreign Associate, as furnished by respective managements and (listed in Annexure A).

In our opinion and to the best of our information and according to the explanations given to us, and based on our consideration of the reports of other auditors on separate financial statements of subsidiaries, joint ventures and associates, the unaudited financial statements and the other financial information of subsidiary and associate as furnished by the management, the aforesaid Consolidated Financial Statements give the information required by the Banking Regulation Act, 1949 ("the Act"), the circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time ("RBI Guidelines") and the applicable Accounting Standards in the manner so required for the group, its associates & joint ventures and are in conformity with accounting principles generally accepted in India and give:

- true and fair view in case of the Consolidated Balance Sheet, of the State of Affairs of the group, and its associates and joint ventures as at March 31, 2025;
- true balance of profit of the group and its associates & joint ventures, in case of Consolidated Profit & Loss Account for the year ended on that date; and
- true and fair view of the cash flows of the group and its associates & joint ventures, in case of Consolidated Cash Flow Statement for the year ended on that date.

### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates & joint ventures in accordance with the code of ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Banking Regulations Act, 1949, State Bank of India Act, 1955 and circulars and guidelines issued by Reserve bank of India from time to time, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence obtained by us along with the consideration of audit reports of other auditors referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

3. Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters of the Bank to be communicated in our report with reference to the Key Audit Matters identified by the auditors of the Bank along with the Key Audit Matters reported by the respective other auditors which, in our opinion, are material:

| Sr. No.                                                                           | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <b>Key Audit matters reported in standalone financial statements of the Bank:</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| i                                                                                 | <p>Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances (Refer Schedule 9 read with Note 3 of Schedule 17 to the financial statements)</p> <p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances.</p> <p>Advances constitute 62.36 per cent of the Bank's total assets. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non-performing Advances (NPA) except in case of foreign offices, classification of advances and provisioning thereof is made as per local regulations or RBI guidelines, whichever is more stringent. The Bank classifies these Advances based on IRAC norms as per its accounting policy No. 3.</p> <p>Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which identifies whether the advances are performing or non-performing.</p> <p>Further, NPA classification and calculation of provision (except in case of foreign offices) is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application Software and other processes.</p> <p>The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed.</p> <p>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgement involved in valuation of securities and calculation of provisions, it is a matter of high importance for the intended users of the Standalone Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances</p> | <p>Our audit approach towards advances with reference to the IRAC norms and other related circulars/directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of controls on sample basis,</p> <ol style="list-style-type: none"> <li>The accuracy of the data input in the system for income recognition, classification into performing and non performing Advances and provisioning in accordance with the IRAC norms in respect of the branches audited by us;</li> <li>Existence and effectiveness of monitoring mechanisms such as Internal Audit, Systems Audit, Credit Audit and Concurrent Audit as per the policies and procedures of the Bank;</li> <li>Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines/ Judicial pronouncements;</li> <li>We have relied on the reports of IT System Audit by IAD with respect to the business logics / parameters inbuilt in CBS and CCDP for tracking, identification and stamping of NPAs and provisioning in respect thereof.</li> <li>We tested the mapping of advances in the CCDP application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.</li> <li>We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection.</li> <li>In carrying out substantive procedures at the branches audited by us, we have examined large advances/ stressed advances while other advances have been examined on a sample basis including review of valuation reports of independent valuers provided by the Bank's management.</li> <li>We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision;</li> <li>Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication.</li> <li>Bank has laid down detailed Standard Operating Procedure to ensure control over processes. We have relied on these Standard Operating Procedures and have conducted our testing based on these Standard Operating Procedures.</li> </ol> |



# Independent Auditors' Report

| Sr. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| ii      | <p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements)</p> <p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities.</p> <p>Investments constitute 25.32 per cent of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against.</p> <p>The valuation of each category (type) of the aforesaid securities is to be done as per the valuation hierarchy prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FIMMDA/FBIL rates, rates quoted on BSE/NSE, financial statements of unlisted companies, NAVs of mutual funds, AIFs, VCFs, Security Receipts etc. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of non-performing investments and provisioning related to investments</p> | <p>Our audit approach towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to classification, valuation, identification of non-performing investments (NPIs), provisioning/depreciation related to Investments. In particular;</p> <ol style="list-style-type: none"> <li>We understood and reviewed the methodology adopted by the Bank for classification of investments into various categories as per RBI guidelines;</li> <li>We understood and evaluated the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, provisioning/depreciation related to investments;</li> <li>We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;</li> <li>For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample;</li> <li>We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;</li> <li>We carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs;</li> <li>We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.</li> </ol> |
| iii     | <p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 18.13 of Schedule 18 to the financial statements):</p> <p>There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>Our audit approach involved:</p> <ol style="list-style-type: none"> <li>Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances;</li> <li>Understanding the current status of the litigations/tax assessments including the status up to the date of auditor's report;</li> <li>Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;</li> <li>Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of our internal tax experts;</li> <li>Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and</li> <li>Verification of disclosures related to significant litigations and taxation matters.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| Sr. No.                                                                                 | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| iv                                                                                      | <p>Valuation of employees' defined benefit obligations:</p> <p>The Bank has recognised long-term defined benefit obligations for its employees on actuarial basis. Pension and gratuity obligations are funded by the Bank. Shortfall, if any, in Bank's Provident Fund Scheme is also provided for on actuarial basis. The Bank makes periodic contributions to fund administered by Trustees based on an independent external actuarial valuation carried out annually. Unfunded long-term defined benefit obligations are compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The cost of providing unfunded long-term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date.</p> <p>The actuarial valuations of employee benefit obligations are dependent on market conditions and assumptions made. The key audit matter specifically relates to the following key assumptions: discount rate, inflation expectations and life expectancy assumptions. The setting of these assumptions is complex and requires the exercise of significant management judgement with the support of third-party actuary.</p> | <p>We tested governance and controls in place over the methodologies and the significant assumptions, including those in relation to the use of management's experts. We examined the reports of external actuarial specialist and reviewed the key actuarial assumptions used, both financial and demographic, and considered the methodology applied to derive these assumptions including review of input data provided for actuarial valuations of employees' defined benefit obligations. Furthermore, we have examined the sensitivity analysis on the key assumptions in valuing the defined benefit obligations. We also evaluated the objectivity and competence of management's expert involved in the valuation of the defined benefit obligation. We assessed the appropriateness of the methodology used, and tested the accuracy of the calculation, to estimate the liability.</p> |
| <b>Key Audit Matters as reported by auditors of SBI Life Insurance Company Limited:</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| v                                                                                       | <p>Information Technology systems and controls (IT Controls):</p> <p>All insurance companies are highly dependent on technology due to the significant number of transactions that are processed on a daily basis. A significant part of the company's financial processes is heavily reliant on IT systems with automated processes and controls over the capturing, valuing and recording of transactions. Thus, there exists a risk that gaps in the IT Control Environment could result in the financial accounting and reporting records being materially misstated.</p> <p>The Company has separate software applications for management of its various activities. Transfer of data from / to these software's is critical for accurate compilation of financial information. We have identified 'IT systems and controls' as key audit matter because of significant use of IT environment and the scale and complexity of the IT architecture.</p>                                                                                                                                                                                                                                                                                                      | <p>Principal Audit Procedures</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the Company's IT environment and key changes if any during the audit period that may be relevant to the audit</li> <li>• We have reviewed the design and operating effectiveness of key automated controls.</li> <li>• We have reviewed the reconciliations between the core operating systems and the accounting software to mitigate the risk of incorrect data flow to/from separate application software.</li> <li>• We have also obtained management representations wherever considered necessary</li> </ul>                                                                                                                                                                                                                                                                     |

# Independent Auditors' Report

| Sr. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| vi      | <p>Valuation of Investments:</p> <p>The company's investment portfolio consists of Policyholders' investments (traditional and unit linked policy holders) and Shareholders investment.</p> <p>Total investment portfolio of the company (i.e. Asset under management (AUM)) represents 99.40 per cent of the Company's total assets.</p> <p>Investments are made and valued in accordance with Insurance Act, 1938, IRDAI AFI Regulations, Investment Policy of the Company and relevant Indian GAAPs.</p> <p>These valuation methods use multiple observable market inputs, including observable interest rates, index levels, credit spreads, equity prices, counter party credit quality, and corresponding market volatility levels etc.</p> <p>The portfolio of quoted investments is 43.17 per cent of the Company's AUM and the portfolio of investments that are valued primarily using observable inputs is 56.36 per cent of the Company's AUM. We do not consider these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid, quoted investments. However, due to their materiality in the context of the standalone financial statements as a whole, they are considered to be one of the areas which had the significant impact on our overall audit strategy.</p> <p>The portfolio of unquoted investments is 0.20 per cent of the Company's AUM. The valuation of unquoted investment involves judgement depending on the observability of the inputs into the valuation and further judgement in determining the appropriate valuation methodology where external pricing sources are either not readily available or are unreliable.</p> <p>The valuation of these investment was considered to be one of the areas which required significant auditor attention and was one of the matters of most significance in the financial statements due to the materiality of total value of investments to the financial statements.</p> | <p>Principal Audit Procedures</p> <p>Our audit procedures for this area included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Company's process and controls over the valuation of investments. The understanding was obtained by performance of walkthroughs, which included inspection of documents produced by the Company and discussion with those involved in the pertinent process.</li> <li>• Evaluated and tested the design, implementation and operating effectiveness of key controls over the valuation process, including the Company's assessment and approval of assumptions used for the valuation including key authorisation and data input controls thereof;</li> <li>• Obtained independent external confirmations for investments as at balance sheet date from the Custodians and Depository Participants appointed by the Company to confirm the units of securities for the purpose of valuation re-computation;</li> <li>• On a test check basis, recomputed valuation of different class of investments to assess appropriateness of valuation methodologies with reference to IRDAI Investment Regulations along with the Company's Board approved valuation policy;</li> <li>• Examined movement and appropriateness of accounting in Fair Value Change account for specific investments.</li> <li>• Ensured the appropriateness and reasonableness of methodology, assumptions and judgements used by management with reference to the valuation and impairment of investments as per the Company's Board approved valuation and impairment policy.</li> <li>• Obtained written representations from management on compliance of valuation of investments with the regulations and adequacy of impairment recorded for the year.</li> </ul> |
| vii     | <p>Contingent Liabilities and Litigations:</p> <p>The company has pending litigation matters with various appellate authorities and at different forums. The same involves judgements in accordance with applicable Accounting Standards to determine the final outcome of such open litigation matters.</p> <p>The management with the help of its experts, as needed, have made judgements relating to the likelihood of an obligation arising and whether there is a need to recognise a provision or disclose a contingent liability. We therefore focused on this area as a result of uncertainty and potential material impact.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>Principal Audit Procedures: -</p> <ul style="list-style-type: none"> <li>• We read the various regulatory correspondences and related documents pertaining to litigation cases and corroborated them with our understanding of legal position as per various statutes.</li> <li>• We obtained legal opinion sought by management from the independent legal counsel including opinion of our own team to review the sustainability of the dispute. We discussed the status and potential exposure in respect of significant litigation with the company's internal legal team and obtaining details regarding the progress of various litigations including management views on the likely outcome of each litigation and the magnitude of potential exposure.</li> <li>• The various litigation matters were reviewed in order to assess the facts and circumstances and to identify the potential exposures and to satisfy ourselves that it is not probable that an outflow of economic benefits will be required, or in certain cases where the amount cannot be estimated reliably, such obligation is disclosed by the company as a contingent liability.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

| Sr. No.                                                                          | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| <b>Key Audit Matters as reported by auditors of SBI Capital Markets Limited:</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| viii                                                                             | <p>Assessment of Valuation of investments measured at fair value for which no listed price in an active market is available and valued using market information and significant unobservable input:</p> <p>The Company has certain investments of which listed price in an active market is not available and has been valued at fair value at ₹16,678.15 Crore (₹7,017.82 Crore as on 31.03.2024) as required by Ind-AS. The corresponding fair value change is recognised in Other Comprehensive Income (OCI) and deferred tax in accordance with related Accounting Standard (Ind-AS 109). In measuring these Investments, valuation methods are used based on inputs that are not directly observable from market information and certain other unobservable inputs. The Management has also used the services of an independent professional valuer. Key inputs used in the valuation of above investments are market multiples and growth rate, terminal rate, discount rate, NAV etc.</p> <p>The valuation of these assets is important to our audit as it is highly dependent on estimates (various assumptions and techniques used) which contain assumptions that are not observable in the market. Given the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the standalone financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.</p> | <p>Principal Audit Procedures</p> <p>We understood and tested the design and operating effectiveness of the company's control over the assessment of valuation of investments.</p> <ul style="list-style-type: none"> <li>We evaluated the independence, competence, capabilities and objectivity of Management's expert (Independent professional valuer).</li> <li>We evaluated together with the auditor's expert to assess the reasonableness of the valuation methodology and underlying assumptions relating to market multiples and growth rate, discount rate, NAV etc. used by the independent professional valuer to estimate the fair value of investments.</li> <li>We validated the source data on sample basis and tested the arithmetical accuracy of the calculation of valuation of investments.</li> <li>We assessed the adequacy of the disclosures in the standalone financial statements.</li> </ul> <p>Based on our above audit procedures we consider that the management's assessment of the investment for which non-listed price in an active market is available is reasonable.</p> |
| ix                                                                               | <p>Evaluation of uncertain tax positions:</p> <p>The company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>Principal Audit Procedures:</p> <p>We evaluated the Company's processes and controls for monitoring the tax disputes.</p> <p>Obtained risk assessment of tax litigation from our internal tax expert to assess management's judgement and assumption on such matters to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. They also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

## Other Matters

- We did not audit the financial statements of 26 Subsidiaries, 08 Jointly Controlled Entities whose financial statements reflect total assets of ₹6,73,463.77 Crore as at March 31, 2025, total revenues of ₹1,50,587.63 Crore for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of ₹1,475.94 Crore for the year ended March 31, 2025, as considered in the Consolidated Financial Statements, in respect of 17 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates is based solely on the reports of such auditors.

In the case of 12 foreign subsidiaries/associates / jointly controlled entities, the financial statements and other information has been prepared in accordance with accounting principles generally accepted in their respective countries and which has been audited by the other auditors under generally accepted Auditing standards as applicable in their respective countries. The management of such subsidiaries/ associates/jointly controlled entities has converted the financial information from accounting principles generally accepted in their respective countries to accounting policy of SBI and these conversion adjustments have been audited by the other auditors.

- We did not audit the Financial Statements of 01 subsidiary whose Financial Statements reflect total assets of ₹8,383.60 Crore as at March 31, 2025, total revenues of ₹522.51 Crore as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of ₹29.53 Crore for the year

## Independent Auditors' Report

ended March 31, 2025, as considered in the Consolidated Financial Statements, in respect of 01 associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

6. The auditors of SBI Life Insurance Company Limited and SBI General Insurance Company Limited, subsidiaries of the Group, have reported that the actuarial valuation of liabilities for life policies in force, for policies in respect of which premium has been discontinued but liability exist as at March 31, 2025 and the actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR) and Claims Not Incurred But Not Enough Reported (IBNER) is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2025 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory Development Authority of India ("IRDAI" / "Authority") and the Institute of Actuaries of India in concurrence with the Authority. The auditors have relied upon Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists in financial statements of the Company.

Our opinion on the Consolidated Financial Statements, is not modified in respect of the above matters.

### Information Other than the Consolidated Financial Statements and Auditors' Report thereon

7. The Bank's Board of Directors are responsible for the other information. The other information comprises the Corporate Governance report (but does not include the Consolidated Financial Statements and our auditors' report thereon), which we obtained at the time of issue of this auditors' report. The Other Information also includes the Directors' Report of the Bank including annexures in annual report thereon, which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the Consolidated Financial Statements does not cover the other information and Pillar 3 disclosures under the Basel III and we do not and will not express any form of assurance or conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The Bank's Board of Directors are responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flow of the Group including its associates & joint ventures in accordance with the accounting principles generally accepted in India including Accounting Standard 21-"Consolidated Financial Statements", Accounting Standards 23- "Accounting for Investment in Associates in Consolidated Financial Statements" and Accounting Standards 27 – Financial Reporting of Interest in Joint Venture" issued by the Institute of Chartered Accountants of India, and provisions of Section 29 of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time and other accounting principles generally accepted in India. . The respective Board of Directors of the entities included in the Group and its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Respective Acts and applicable guidelines for safeguarding of the assets of the Group and its associates & joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidation financial statements that give true and fair



view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Bank, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the entities included in the Group and its associates and joint ventures are responsible for assessing the ability of the Group's and its associates and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group and its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and its associates and joint ventures.

### **Auditors' Responsibility for the Audit of Consolidated Financial Statements**

9. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation structure and content of the Consolidated Financial Statements, including the disclosures and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its Associates and Jointly ventures, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
- Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

# Independent Auditors' Report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

10. The Consolidated Balance Sheet, the Consolidated Profit and Loss Account and Consolidated Cash Flow of the Bank have been drawn up in accordance with the provisions of the Banking Regulation Act, 1949; and these give information as required to be given by virtue of the provisions of the State Bank of India Act, 1955 and regulations there under.
11. Subject to the limitations of the audit indicated in paragraph 4 to 8 above and as required by the State Bank of India Act, 1955 and Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, based on our audit and on the consideration of report of the other auditors on separate financial statements, and subject also to the limitations of disclosure required therein, we report that:
  - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
  - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
  - c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

12. As required under the provisions of Section 30(2) of the Banking Regulation Act 1949 and by the RBI letter No. DOS. ARG. No.6270/08.91.001/2019- 20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report that:

- a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and reports of the other auditors and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- b) the Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account and with the returns received from branches not visited by us;
- c) the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949, and the State Bank of India Act, 1955 have been sent to us and have been properly dealt with by us in preparing this report;
- d) in our opinion, the Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
- e) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Bank.
- f) As the Bank is not registered under the Companies Act, 2013, the disqualifications from being a director of the bank under sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank

On the basis of the reports of the statutory auditors of subsidiaries, associates and joint venture companies other than Government Company to the extent incorporated in India, none of the directors of the subsidiaries, associates & joint ventures companies incorporated in India is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.

- g) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
- h) As per para 1.14 of the Technical Guide on Audit of Internal Financial Controls in Case of Public Sector Banks issued by ICAI, the reporting requirement as introduced by RBI regarding Internal Financial Reporting will apply to the standalone financial statements of Public Sector Banks (PSBs) and not to consolidated financial statements of PSBs. Accordingly, reporting is not done on the Group's

Internal Financial Control over Financial Reporting with reference to the Consolidated Financial Statements as at March 31, 2025.

For **Ravi Rajan & Co LLP**  
Chartered Accountants  
Firm Registration No.009073N/N500320

**Date: 3<sup>rd</sup> May 2025**  
**Place: Mumbai**

**CA Sumit Kumar**  
Partner  
Membership No. 512555  
UDIN: 25512555BMNPTN9455



# Independent Auditors' Report

## Annexure A: List of entities consolidated as at March 31, 2025

| Sr. No. | Name of Subsidiary                                           | Sr. No. | Name of Subsidiary                               |
|---------|--------------------------------------------------------------|---------|--------------------------------------------------|
| 1       | SBI Capital Markets Ltd.                                     | 15      | State Bank Operations Support Services Pvt. Ltd. |
| 2       | SBICAP Securities Ltd.                                       | 16      | SBI CDMDF Trustee Private Ltd                    |
| 3       | SBICAP Trustee Company Ltd.                                  | 17      | SBI Funds Management (International) Pvt. Ltd.   |
| 4       | SBI Ventures Ltd. (formerly known as SBICAP Ventures Ltd.)   | 18      | Commercial Indo Bank LLC, Moscow                 |
| 5       | SBI DFHI Ltd.                                                | 19      | SBI Canada Bank                                  |
| 6       | SBI Factors Ltd. (Formerly known as SBI Global Factors Ltd.) | 20      | State Bank of India (California)                 |
| 7       | SBI Mutual Fund Trustee Company Pvt. Ltd.                    | 21      | State Bank of India (UK) Limited                 |
| 8       | SBI Payment Services Pvt Ltd.                                | 22      | State Bank of India Servicios Limitada.          |
| 9       | SBI Pension Funds Pvt Ltd.                                   | 23      | SBI (Mauritius) Ltd.                             |
| 10      | SBI Life Insurance Company Ltd.                              | 24      | PT Bank SBI Indonesia                            |
| 11      | SBI General Insurance Company Ltd.                           | 25      | Nepal SBI Bank Ltd.                              |
| 12      | SBI Cards and Payment Services Ltd.                          | 26      | Nepal SBI Merchant Banking Ltd.                  |
| 13      | SBI-SG Global Securities Services Pvt. Ltd.                  | 27      | SBI Funds International (IFSC) Ltd.              |
| 14      | SBI Funds Management Ltd.                                    |         |                                                  |

| Sr. No. | Name of Joint venture                             | Sr. No. | Name of Joint venture                                           |
|---------|---------------------------------------------------|---------|-----------------------------------------------------------------|
| 1       | C - Edge Technologies Ltd.                        | 5       | Macquarie SBI Infrastructure Trustee Ltd.                       |
| 2       | SBI Macquarie Infrastructure Management Pvt. Ltd. | 6       | Oman India Joint Investment Fund – Management Company Pvt. Ltd. |
| 3       | SBI Macquarie Infrastructure Trustee Pvt. Ltd.    | 7       | Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.    |
| 4       | Macquarie SBI Infrastructure Management Pte. Ltd. | 8       | Jio Payments Bank Ltd.                                          |

| Sr. No. | Name of Associate                  | Sr. No. | Name of Associate                                         |
|---------|------------------------------------|---------|-----------------------------------------------------------|
| 1       | Andhra Pradesh Grameena Vikas Bank | 10      | Uttarakhand Gramin Bank                                   |
| 2       | Arunachal Pradesh Rural Bank       | 11      | Jharkhand Rajya Gramin Bank                               |
| 3       | Chhattisgarh Rajya Gramin Bank     | 12      | Saurashtra Gramin Bank                                    |
| 4       | Ellaquai Dehati Bank               | 13      | Rajasthan Marudhara Gramin Bank                           |
| 5       | Meghalaya Rural Bank               | 14      | Telangana Grameena Bank                                   |
| 6       | Madhyanchal Gramin Bank            | 15      | The Clearing Corporation of India Ltd. (upto 08-Aug-2024) |
| 7       | Mizoram Rural Bank                 | 16      | Yes Bank Limited                                          |
| 8       | Nagaland Rural Bank                | 17      | Bank of Bhutan Ltd.                                       |
| 9       | Utkal Grameen Bank                 | 18      | Investec Capital Services (India) Private Limited         |

## PILLAR 3 DISCLOSURES

(CONSOLIDATED) AS ON 31.03.2025

### DF-1: SCOPE OF APPLICATION

"State Bank of India is the parent company to which the Basel III Framework applies. The consolidated financial statements of the group conform to Generally Accepted Accounting Principles (GAAP) in India, comprising regulatory norms, directions & guidelines prescribed by the Reserve Bank of India (RBI), statutory guidelines of the State Bank of India Act, 1955, the Banking Regulations Act, 1949, Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA), SEBI (Mutual Funds) Regulations, 1996, Companies Act 2013, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and the accounting practices prevalent in India."

#### (i) Qualitative Disclosures:

##### a) List of group entities considered for consolidation for the period ended 31.03.2025

The following subsidiaries, joint ventures and associates are considered for the preparation of consolidated financial statements of SBI Group.

| Sr. No. | Name of the entity                                         | Country of incorporation | Whether the entity is included under accounting scope of consolidation (yes / no) | Explain the method of consolidation | Whether the entity is included under regulatory scope of consolidation (yes / no) | Explain the method of consolidation | Explain the reasons for difference in the method of consolidation | Explain the reasons if consolidated under only one of the scopes of consolidation |
|---------|------------------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| 1       | SBI Capital Markets Ltd.                                   | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 2       | SBICAP Securities Ltd.                                     | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 3       | SBI Ventures Ltd. (formerly known as SBICAP Ventures Ltd.) | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 4       | SBICAP Trustee Company Ltd.                                | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 5       | SBI DFHI Ltd.                                              | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 6       | SBI Payment Services Pvt. Ltd.                             | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 7       | SBI Factors Ltd (formerly known as SBI Global Factors Ltd) | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 8       | SBI Pension Funds Pvt Ltd.                                 | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 9       | SBI -SG Global Securities Services Pvt. Ltd.               | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 10      | SBI Mutual Fund Trustee Company Pvt Ltd.                   | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 11      | SBI Funds Management Ltd.                                  | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 12      | SBI Funds Management (International) Private Ltd.          | Mauritius                | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 13      | SBI Cards and Payment Services Ltd.                        | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 14      | SBI CDMDF Trustee Private Limited                          | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 15      | SBI Funds International (IFSC) Limited                     | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 16      | State Bank of India (California)                           | USA                      | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 17      | SBI Canada Bank                                            | Canada                   | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 18      | Commercial Indo Bank Llc, Moscow                           | Russia                   | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 19      | SBI (Mauritius) Ltd.                                       | Mauritius                | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 20      | PT Bank SBI Indonesia                                      | Indonesia                | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 21      | Nepal SBI Bank Ltd.                                        | Nepal                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 22      | Nepal SBI Merchant Banking Ltd.                            | Nepal                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 23      | State Bank of India (UK) Limited                           | UK                       | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |

| Sr. No. | Name of the entity                                              | Country of incorporation | Whether the entity is included under accounting scope of consolidation (yes / no) | Explain the method of consolidation | Whether the entity is included under regulatory scope of consolidation (yes / no) | Explain the method of consolidation | Explain the reasons for difference in the method of consolidation | Explain the reasons if consolidated under only one of the scopes of consolidation |
|---------|-----------------------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| 24      | State Bank of India Servicos Limitada                           | Brazil                   | Yes                                                                               | Consolidated as per AS 21           | No                                                                                | Not applicable                      | Not applicable                                                    | Non-Financial Subsidiary: Not under scope of Regulatory Consolidation             |
| 25      | State Bank Operations Support Services Pvt. Ltd.                | India                    | Yes                                                                               | Consolidated as per AS 21           | No                                                                                | Not applicable                      | Not applicable                                                    | Non-financial Subsidiary: Not under scope of Regulatory Consolidation             |
| 26      | SBI Life Insurance Company Ltd.                                 | India                    | Yes                                                                               | Consolidated as per AS 21           | No                                                                                | Not applicable                      | Not applicable                                                    | Insurance Joint Venture: Not under scope of Regulatory Consolidation              |
| 27      | SBI General Insurance Company Ltd.                              | India                    | Yes                                                                               | Consolidated as per AS 21           | No                                                                                | Not applicable                      | Not applicable                                                    | Insurance Joint Venture: Not under scope of Regulatory Consolidation              |
| 28      | C - Edge Technologies Ltd.                                      | India                    | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Non-financial Joint Venture: Not under scope of Regulatory Consolidation          |
| 29      | SBI Macquarie Infrastructure Management Pvt. Ltd.               | India                    | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Joint Venture: Not under scope of Regulatory Consolidation                        |
| 30      | SBI Macquarie Infrastructure Trustee Pvt. Ltd.                  | India                    | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Non-financial Joint Venture: Not under scope of Regulatory Consolidation          |
| 31      | Macquarie SBI Infrastructure Management Pte. Ltd.               | Singapore                | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Joint Venture: Not under scope of Regulatory Consolidation                        |
| 32      | Macquarie SBI Infrastructure Trustee Ltd.                       | Bermuda                  | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Joint Venture: Not under scope of Regulatory Consolidation                        |
| 33      | Oman India Joint Investment Fund – Management Company Pvt. Ltd. | India                    | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Joint Venture: Not under scope of Regulatory Consolidation                        |
| 34      | Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.    | India                    | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Joint Venture: Not under scope of Regulatory Consolidation                        |
| 35      | Jio Payments Bank Limited                                       | India                    | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Joint Venture: Not under scope of Regulatory Consolidation                        |
| 36      | Andhra Pradesh Grameena Vikas Bank                              | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 37      | Arunachal Pradesh Rural Bank                                    | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 38      | Chhattisgarh Rajya Gramin Bank                                  | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |

| Sr. No. | Name of the entity                                       | Country of incorporation | Whether the entity is included under accounting scope of consolidation (yes / no) | Explain the method of consolidation | Whether the entity is included under regulatory scope of consolidation (yes / no) | Explain the method of consolidation | Explain the reasons for difference in the method of consolidation | Explain the reasons if consolidated under only one of the scopes of consolidation |
|---------|----------------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| 39      | Ellaquai Dehati Bank                                     | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 40      | Meghalaya Rural Bank                                     | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 41      | Madhyanchal Gramin Bank                                  | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 42      | Mizoram Rural Bank                                       | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 43      | Nagaland Rural Bank                                      | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 44      | Utkal Grameen Bank                                       | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 45      | Uttarakhand Gramin Bank                                  | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 46      | Jharkhand Rajya Gramin Bank                              | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 47      | Saurashtra Gramin Bank                                   | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 48      | Rajasthan Marudhara Gramin Bank                          | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 49      | Telangana Grameena Bank                                  | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 50      | The Clearing Corporation of India Ltd. (upto 08.08.2024) | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 51      | Yes Bank Ltd.                                            | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 52      | Bank of Bhutan Ltd.                                      | Bhutan                   | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 53      | Investec Capital Services (India) Private Limited        | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |

**b. List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation as on 31.03.2025**

(₹ In Crores)

| Sr. No. | Name of the entity                             | Country of incorporation | Principal activity of the entity                                                      | Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) | % of bank's holding in the total equity | Regulatory treatment of bank's investments in the capital instruments of the entity | Total balance sheet assets (as stated in the accounting balance sheet of the legal entity) |
|---------|------------------------------------------------|--------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| 1       | SBI Foundation                                 | India                    | A Not-for-Profit Company to focus on Corporate Social Responsibility (CSR) Activities | 529.36                                                                                     | 99.72%                                  | Deducted from regulatory capital                                                    | 529.76                                                                                     |
| 2       | SBI Infra Management Solutions Private Limited | India                    | Under winding up                                                                      | 3.88                                                                                       | 100%                                    | Deducted from regulatory capital                                                    | 3.91                                                                                       |

**(ii) Quantitative Disclosures:**

**c. List of group entities considered for regulatory consolidation as on 31.03.2025**

Following is the list of group entities considered under regulatory scope of consolidation:

(₹ In Crores)

| Sr. No. | Name of the entity                                         | Country of incorporation | Principal activity of the entity                                                                                               | Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) \$# | Total balance sheet assets (as stated in the accounting balance sheet of the legal entity) # | Remarks |
|---------|------------------------------------------------------------|--------------------------|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|---------|
| 1       | SBI Capital Markets Ltd                                    | India                    | Merchant Banking and Advisory Services                                                                                         | 4,108.39                                                                                       | 5,611.69                                                                                     |         |
| 2       | SBICAP Securities Ltd                                      | India                    | Securities Broking & its allied services and third-party distribution of financial products                                    | 2,074.61                                                                                       | 5,149.20                                                                                     |         |
| 3       | SBICAP Trustee Company Ltd                                 | India                    | Corporate Trusteeship Activities                                                                                               | 241.21                                                                                         | 246.81                                                                                       |         |
| 4       | SBI Ventures Ltd. (formerly known as SBICAP Ventures Ltd.) | India                    | Asset Management Company for AIF/ Venture Capital Fund                                                                         | 298.31                                                                                         | 331.21                                                                                       |         |
| 5       | SBI DFHI Ltd                                               | India                    | Primary Dealer in Govt. Securities                                                                                             | 1,932.74                                                                                       | 26,100.52                                                                                    |         |
| 6       | SBI Mutual Fund Trustee Co. Pvt Ltd                        | India                    | Trusteeship Services to schemes floated by SBI Mutual Fund                                                                     | 21.82                                                                                          | 21.92                                                                                        |         |
| 7       | SBI Factors Ltd(formerly known as SBI Global Factors Ltd)  | India                    | Factoring Activities                                                                                                           | 518.32                                                                                         | 2,816.62                                                                                     |         |
| 8       | SBI Pension Funds Pvt Ltd                                  | India                    | Pension Fund Manager (PFM) for Management of assets of NPS Trust and Point of Presence (PoP) for onboarding of NPS subscribers | 285.72                                                                                         | 292.10                                                                                       |         |
| 9       | SBI Payments Services Pvt Ltd                              | India                    | Payment Solutions related to Merchant Acquiring Business duly enabling cashless / digital transactions                         | 1,489.18                                                                                       | 2,182.93                                                                                     |         |
| 10      | SBI Funds Management Ltd                                   | India                    | Asset Management Services to schemes floated by SBI Mutual Fund                                                                | 8,293.09                                                                                       | 8,639.08                                                                                     |         |
| 11      | SBI Funds Management (International) Private Ltd           | Mauritius                | Investment Management Services                                                                                                 | 1.50                                                                                           | 3.09                                                                                         |         |
| 12      | SBI Cards & Payment Services Ltd                           | India                    | Credit Cards Business                                                                                                          | 12,911.54                                                                                      | 64,709.56                                                                                    |         |

(₹ In Crores)

| Sr. No. | Name of the entity                        | Country of incorporation | Principal activity of the entity                                                              | Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) \$# | Total balance sheet assets (as stated in the accounting balance sheet of the legal entity) # | Remarks |
|---------|-------------------------------------------|--------------------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|---------|
| 13      | SBI-SG Global Securities Services P. Ltd. | India                    | Custody and Fund accounting services                                                          | 620.60                                                                                         | 1,428.90                                                                                     |         |
| 14      | SBI CDMDF Trustee Private Limited         | India                    | Trusteeship Services to Corporate Debt Market Development Fund                                | 0.68                                                                                           | 0.72                                                                                         |         |
| 15      | SBI Funds International (IFSC) Limited    | India                    | Portfolio Management Services and Investment Management Activities/Services for pooled assets | 22.25                                                                                          | 23.10                                                                                        |         |
| 16      | State Bank of India (California)          | USA                      | Banking Services                                                                              | 1,480.25                                                                                       | 10,986.02                                                                                    |         |
| 17      | SBI Canada Bank                           | Canada                   | Banking Services                                                                              | 1,218.92                                                                                       | 8,383.60                                                                                     |         |
| 18      | Commercial Indo Bank LLC, Moscow          | Russia                   | Banking Services                                                                              | 1,766.36                                                                                       | 10,248.03                                                                                    |         |
| 19      | SBI (Mauritius) Ltd                       | Mauritius                | Banking Services                                                                              | 1,690.48                                                                                       | 12,654.29                                                                                    |         |
| 20      | PT Bank SBI Indonesia                     | Indonesia                | Banking Services                                                                              | 1,727.60                                                                                       | 3,930.83                                                                                     |         |
| 21      | Nepal SBI Bank Ltd                        | Nepal                    | Banking Services                                                                              | 1,314.59                                                                                       | 14,247.89                                                                                    |         |
| 22      | State Bank of India (UK) Limited          | UK                       | Banking Services                                                                              | 3,072.97                                                                                       | 21,778.37                                                                                    |         |
| 23      | Nepal SBI Merchant Banking Ltd.           | Nepal                    | Merchant Banking and Advisory Services                                                        | 20.79                                                                                          | 21.93                                                                                        |         |

\$ Comprises of Equity Capital and Reserve &amp; Surplus

# In case of domestic entities as per IGAAP and in case of overseas entities as per respective local regulations

**(d) The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:**

| Name of the Subsidiaries/<br>Country of incorporation | Principal activity<br>of the entity | Total balance sheet equity (as stated in the<br>accounting balance sheet of the legal entity) | % of Bank's holding in<br>the total equity | Capital Deficiency |
|-------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------|--------------------|
| NIL                                                   |                                     |                                                                                               |                                            |                    |

**(e) The aggregate amount (e.g. current book value) of the Bank's total interests in Insurance entities, which are risk weighted**

(₹ In Crores)

| LONG NAME                                       | Face Value | Book Value | Market Value | Excess Provision (LICRA +IRAC +IOS+RCH) | Capital Charge | RWA | Principal activity of the entity | Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) | % of Bank's holding in the total equity | Quantitative impact on regulatory capital of using risk weighting method Vs using the full deduction method |
|-------------------------------------------------|------------|------------|--------------|-----------------------------------------|----------------|-----|----------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------------------------------|
| ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED | 0.87       | 64.54      | 48.82        | 48.82                                   | -              | -   | Insurance                        | 1445.32                                                                                    | 0.06%                                   | Insignificant impact with either method                                                                     |

**(f) Any restrictions or impediments on transfer of funds or regulatory capital within banking group:**

**Overseas Banking Subsidiaries**

| Name of Entities                 | Restriction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| State Bank of India (California) | As per regulations, the only way to transfer capital to parent bank is to pay dividends or buy back shares or capital repatriation to parent bank.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| SBI Canada Bank                  | Prior permission from the regulator (OSFI) before transferring any type of capital (equity or debt) to parent bank.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| SBI (Mauritius) Ltd              | There are regulatory restrictions for the reduction of the Bank's capital to be paid back to the shareholders including the Parent Bank. Any reduction in capital can be made either through payment of dividend or reduction in stated capital as provided in the banking act and the companies act of Mauritius. The amount to be paid is subject to SBIML maintaining adequate capital and liquidity ratios as per regulatory requirements.<br>a) The central bank shall not grant, and no bank shall hold, a banking licence unless it maintains and continues to maintain in Mauritius, an amount paid as stated capital or an amount of assigned capital of not less than 400 million rupees or the equivalent.<br>b) Every bank shall maintain, in Mauritius, capital of not less than 10 per cent, or such higher ratio as may be determined by the central bank, of such of that bank's risk assets and of other types of risks. |
| Bank SBI Indonesia               | The Bank maintains a minimum regulatory capital to be able to operate as a Book II bank as well as a forex bank. However, transfer of funds as dividend to Parent Bank is allowed after generation of sufficient profit.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Nepal SBI Bank Ltd               | Under the laws of Nepal, Assets and Liabilities of the Company are exclusive and non-transferable. Hence, the transfer of funds or regulatory capital within the banking group is not possible.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Commercial Indo Bank LLC, Moscow | There are no restrictions or impediments on transfer of funds or regulatory capital within banking group.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| State Bank of India (UK) Limited | Excess capital beyond the regulatory minimum can be paid back to the Parent (via dividends or reduced capital) along with the approval of SBI UK Board and PRA. This will be based on the projected growth plans of SBI UK Limited and its capital requirements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

**Non-Banking Subsidiaries**

| Sr. No | Name of the Entities              | Restriction                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1      | SBI Life Insurance Ltd.           | <ul style="list-style-type: none"> <li>As per regulations, the only way to transfer capital to parent Bank is to pay dividends in accordance with Section 49 of Insurance Act, 1938.</li> <li>This is subject to maintaining the minimum solvency ratio 150% in accordance with Regulatory norms. The Board of Directors of the Company has specified a minimum limit of solvency ratio at 180%.</li> </ul> |
| 2      | SBI General Insurance Co. Ltd.    | <ul style="list-style-type: none"> <li>As per regulations, the only way to transfer capital to parent Bank is to pay dividends in accordance with Section 49 of Insurance Act, 1938.</li> <li>This is subject to maintaining the minimum solvency ratio 150% in accordance with Regulatory norms. The Board of Directors of the Company has specified a minimum limit of solvency ratio at 170%.</li> </ul> |
| 3      | SBI Cards & Payment Services Ltd. | <ul style="list-style-type: none"> <li>SBI Card can return share capital to SBI only by way of buy back of shares in accordance with the provisions of Companies Act, SEBI and RBI regulations.</li> </ul>                                                                                                                                                                                                  |
| 4      | SBI Funds Mgmt. Ltd.              | <ul style="list-style-type: none"> <li>SBIFML can transfer capital by way of buy back subject to adherence of Companies Act, SEBI Regulations, Articles of Association of the Company and other applicable regulations. Further, in terms of Companies Act, wherever approval of Board / Shareholders is required, the company comply with the same.</li> </ul>                                             |
| 5      | SBI Mutual Fund Trustee Co. Ltd.  | <ul style="list-style-type: none"> <li>The Company can transfer capital by way of buy back subject to adherence of Companies Act, SEBI Regulations and other applicable regulations. Further, in terms of Companies Act, wherever approval of Board / Shareholders is required, the company comply with the same.</li> </ul>                                                                                |
| 6      | SBI CDMDF Trustee Pvt. Ltd.       | <ul style="list-style-type: none"> <li>The Company can transfer capital by way of buy back subject to adherence of Companies Act, SEBI Regulations and other applicable regulations. Further, in terms of Companies Act, wherever approval of Board / Shareholders are required, the company comply with the same.</li> </ul>                                                                               |

|    |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7  | SBI Capital Markets Ltd.               | <ul style="list-style-type: none"> <li>Transfer of capital from SBICAP to the parent SBI, would be subject to the below: <ul style="list-style-type: none"> <li>i. As per SEBI Merchant Bankers Regulations 1992, a category I Merchant Banker requires a minimum Net worth of ₹5 Crores. Further, if any Transfer of funds leads to change in control approval from SEBI shall be required.</li> </ul> </li> <li>Article 60 of AOA of SBICAP provides that notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.</li> <li>SBICAP has an internal Risk policy of maintaining a minimum CAR of 15.00%.</li> <li>All of the above would be subject to the approval of the Board of SBICAP.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 8  | SBI Ventures Ltd (SVL)                 | <ul style="list-style-type: none"> <li>SVL can transfer capital by way of buy back subject to adherence of Companies Act, SEBI Regulations, Articles of Association of the Company and other applicable regulations. Further, in terms of Companies Act, wherever approval of Board / Shareholders are required, the company would comply with the same.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 9  | SBI Factors Ltd.                       | <ul style="list-style-type: none"> <li>As per regulations, the only way to transfer Capital to parent bank is to pay dividends or buy back shares. There are Regulatory restrictions for the reduction of the Company's capital to be paid back to the Shareholders including the parent. Any reduction in capital can be made either through payment of dividend or reduction in stated capital as provided in the RBI Guidelines and the Companies Act. The amount to be paid is subject to maintaining adequate capital and the liquidity ratio as per the regulatory requirements. <ul style="list-style-type: none"> <li>a) A Company cannot hold NBFC-Factors license unless it maintains and continues to maintain, an amount paid as Net Owned Funds.</li> <li>b) Every NBFC shall maintain, capital of not less than 15% of its aggregated risk weighted assets (Tier I plus Tier II Capital, Tier I capital should not be less than 10%) on Balance Sheet and of risk adjusted value of off-Balance Sheet items, or such higher ratio as may be determined by the central bank.</li> <li>c) Every Company registered as NBFC- Factors shall maintain minimum Net Owned Fund (NOF) of ₹5 Crores as required by Factoring Regulations Act, 2011.</li> <li>d) Companies Act also stipulates some conditions for transfer of capital by way of buy-back of shares or distribution as dividends.</li> </ul> </li> <li>There are no specific restrictions on transfer of funds or regulatory capital in Articles of Association of the Company.</li> <li>In case of excess capital beyond the regulatory minimum requirement, can be paid back to the parent (via dividends or reduced capital) with the approval of Board and the Regulator. This will be based on the projected growth plans and its capital requirements.</li> </ul> |
| 10 | SBI-SG Global Securities Services Ltd. | <ul style="list-style-type: none"> <li>The transfer of Capital would be subject to maintenance of Minimum Regulatory Net worth of ₹500 million prescribed by SEBI. Apart from this Company as per the Board is required to maintain Charge on Capital of ₹250 million (as on 31.03.2025) for Operational Risk which is calculated as per Standardised Approach of Basel II.</li> <li>Transfer can be achieved through issue of new shares (other than shares issued on a rights basis or in a subsequent placement), creation of option or warrants, creating new classes of shares, buy backs/ redemption/ repurchase, splits, issuance of convertible debt, bonuses, lien or encumbrances or debt restructure involving conversion into equity which would be anti-dilutive for the parties and/or their rights as equity shareholders and declaration of dividend by the company.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |



|    |                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11 | SBI DFHI Ltd.                                    | <p>The capital can be transferred to the parent bank by way of dividends or buy back shares. The RBI instructions for Standalone Primary Dealers (SPD) in this regard are as under:</p> <ul style="list-style-type: none"> <li>• Any change in the shareholding pattern / capital structure of SPD shall need prior approval of RBI.</li> <li>• SPDs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio (CRAR) of 15 per cent on an ongoing basis.               <ol style="list-style-type: none"> <li>1) SPDs shall follow the following guidelines while declaring dividend distribution:                   <ol style="list-style-type: none"> <li>i. SPDs that meet the following minimum prudential requirements shall be eligible to declare dividend:                       <ol style="list-style-type: none"> <li>a) SPDs should have maintained a minimum CRAR of 20 per cent for the financial year (each of the four quarters) for which dividend is proposed.</li> <li>b) The net NPA ratio shall be less than six per cent in each of the last three years, including as at the close of the financial year for which dividend is proposed to be declared.</li> <li>c) SPDs shall comply with the provisions of Section 45 IC of the Reserve Bank of India Act, 1934.</li> <li>d) SPDs shall be compliant with the prevailing regulations/ guidelines issued by the Reserve Bank. The Reserve Bank shall not have placed any explicit restrictions on declaration of dividend.</li> </ol> </li> </ol> </li> <li>• SPDs that meet the eligibility criteria specified in paragraph (1) above can declare dividend up to a dividend pay-out ratio of 60 per cent.</li> <li>• SPDs having CRAR below the regulatory minimum of 15 per cent in any of the four quarters of the financial year for which dividend is proposed shall not declare any dividend. For SPDs having CRAR at or above the regulatory minimum of 15 per cent during all the four quarters of the financial year for which dividend is being considered, but lower than 20 per cent in any of the four quarters, the dividend pay-out ratio shall not exceed 33.3 per cent.</li> </ol></li></ul> |
| 12 | SBI Pension Funds Pvt. Ltd.                      | <ul style="list-style-type: none"> <li>• SBI Pension Fund can return share capital to SBI only by way of buy back of shares in accordance with the provisions of Companies Act and PFRDA Regulations.</li> <li>• The only criteria is that the Company should maintain minimum Net Worth of ₹50 Crores and shall fulfil the minimum eligibility criteria of the Pension Fund i.e. Reg 8 (d) the sponsor shall have Profits After Tax in at least three of the preceding five financial years. Further, there shall be no cash loss in the last preceding five years.</li> <li>• Further, as per Regulation J of PFRDA, any change in management, ownership, shareholding pattern or controlling interest of sponsor of the pension fund exceeding one percent, but less than five percent of the paid-up capital of the sponsor or pension fund in a financial year, shall be informed to the Authority within fifteen days of the occurrence of such change.</li> <li>• Provided that no change in excess of five per cent. or more of the paid-up capital of the sponsor or the pension fund, in any financial year, shall be made without prior approval of the Authority.</li> <li>• The Capital can be paid to the parent with the Board and Shareholders approval and fulfilling the PFRDA regulations &amp; the provisions of the Companies Act, 2013.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 13 | SBI Payment Services Pvt. Ltd.                   | <ul style="list-style-type: none"> <li>• There are no restrictions or impediments on transfer of funds or Regulatory capital as per JV agreement.</li> <li>• Transfer of funds is subject to approval from SBI Payments Board and JV partners</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 14 | State Bank Operations Support Services Pvt. Ltd. | <ul style="list-style-type: none"> <li>• SBOSS can transfer capital to Holding Bank by way of dividends or buy back of shares.</li> <li>• Further, in terms of Companies Act, 2013 wherever approval of Board / Shareholders is required, the company will comply the same.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

## DF-2 - CAPITAL ADEQUACY

As on 31.03.2025

### Qualitative Disclosures

- (a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities
- The Bank and its Subsidiaries undertake the Internal Capital Adequacy Assessment Process (ICAAP) on an annual basis. The ICAAP details the capital planning process and carries out an assessment covering measurement, monitoring, internal controls, reporting, capital requirement and stress testing of the following Risks:
- |                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Credit Risk</li> <li>• Operational Risk</li> <li>• Liquidity Risk</li> <li>• Compliance Risk</li> <li>• Pension Fund Obligation Risk</li> <li>• Reputation Risk</li> <li>• Residual Risk from Credit Risk Mitigants</li> <li>• Talent Risk</li> <li>• Any other applicable Risk</li> </ul> | <ul style="list-style-type: none"> <li>• Market Risk</li> <li>• Credit Concentration Risk</li> <li>• Interest Rate Risk in the Banking Book</li> <li>• Country Risk</li> <li>• Strategic Risk</li> <li>• Model Risk</li> <li>• Contagion Risk</li> <li>• Cyber Risk</li> <li>• Underwriting Risk</li> </ul> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
- Sensitivity Analysis is conducted annually or more frequently as required, on the movement of Capital Adequacy Ratio (CAR) in the medium horizon of 3 to 5 years, considering the projected investment in Subsidiaries / Joint Ventures by SBI and growth in Advances by SBI and its Subsidiaries (Domestic / Foreign). This analysis is done for the SBI and SBI Group separately.
  - CRAR of the Bank and for the Group as a whole is estimated to be well above the Regulatory CAR in the medium horizon of 3 to 5 years. However, to maintain adequate capital, the Bank has options to augment its capital resources by raising Subordinated Debt, Perpetual Cumulative Preference Shares (PCPS), Redeemable Non-Cumulative Preference Shares (RNCPS), Redeemable Cumulative Preference Shares (RCPS), Perpetual Debt Instruments (PDIs) and Perpetual Non-Cumulative Preference Shares (PNCPs) besides Equity as and when required.
  - Strategic Capital Plan for the Foreign Subsidiaries covers an assessment of capital requirement for growth of assets and the capital required complying with various local regulatory requirements and prudential norms. The growth plan is approved by the parent bank after satisfying itself about the capacity of the individual subsidiaries to raise CET 1 / AT 1 / Tier 2 Capital to support the increased level of assets and at the same time maintaining the Capital Adequacy Ratio (CAR).

### Quantitative Disclosures

#### (b) Capital requirements for credit risk:

|                                               |                           |
|-----------------------------------------------|---------------------------|
| • Portfolios subject to standardised approach | ₹3,84,013.43 Crore        |
| • Securitisation exposures                    | Nil                       |
| <b>Total</b>                                  | <b>₹3,84,013.43 Crore</b> |

#### (c) Capital requirements for market risk:

|                                   |                         |
|-----------------------------------|-------------------------|
| • Standardised duration approach; |                         |
| • Interest Rate Risk              | ₹9,117.78 Crore         |
| • Foreign Exchange                | ₹1,106.86 Crore         |
| • Risk(including gold)            |                         |
| • Equity Risk                     | ₹34,028.27 Crore        |
|                                   | <b>₹44,252.91 Crore</b> |

#### (d) Capital requirements for operational risk:

|                                             |                         |
|---------------------------------------------|-------------------------|
| • Basic Indicator Approach                  | ₹44,948.17 Crore        |
| • The Standardised Approach (if applicable) | NA                      |
| <b>Total</b>                                | <b>₹44,948.17 Crore</b> |

**(e) Common Equity Tier 1, Tier 1 and Total Capital Ratios:**

- For the top consolidated group; and
- For significant bank subsidiaries (stand alone or sub-consolidated depending on how the Framework is applied)

**CAPITAL ADEQUACY RATIOS AS ON 31.03.2025**

|                                  | CET 1 (%) | Tier 1 (%) | Total (%) |
|----------------------------------|-----------|------------|-----------|
| SBI Group                        | 11.07     | 12.31      | 14.44     |
| State Bank of India              | 10.81     | 12.11      | 14.25     |
| SBI (Mauritius) Ltd.             | 22.29     | 22.29      | 23.39     |
| State Bank of India (Canada)     | 16.67     | 16.67      | 18.92     |
| State Bank of India (California) | 13.00     | 13.00      | 13.95     |
| Commercial Indo Bank LLC, Moscow | 11.73     | 11.73      | 11.73     |
| PT Bank SBI Indonesia            | 68.59     | 68.59      | 69.39     |
| Nepal SBI Bank Ltd.              | 11.69     | 11.69      | 14.72     |
| SBI (UK) Ltd.                    | 14.77     | 14.77      | 14.77     |

**DF-3: CREDIT RISK: GENERAL DISCLOSURES**

As on 31.03.2025

**General Disclosures**

**a. Qualitative Disclosures**

• **Definitions of past due and impaired assets (for accounting purposes)**

Non-performing assets

An asset becomes non-performing when it ceases to generate income for the Bank. As from 31<sup>st</sup> March 2006, a non-performing Asset (NPA) is an advance were

- Interest and/or instalment of principal remain 'overdue' for a period of more than 90 days in respect of a Term Loan.
- The account remains 'out of order' for a period of more than 90 days, in respect of an Overdraft/Cash Credit (OD/CC).
- The bill remains 'overdue' for a period of more than 90 days in the case of bills purchased and discounted.
- Any amount to be received remains 'overdue' for a period of more than 90 days in respect of other accounts.
- A loan granted for short duration crops is treated as NPA, if the instalment of principal or interest thereon remains overdue for two crop seasons and a loan granted for long duration crops is treated as NPA, if instalment of principal or interest thereon remains overdue for one crop season.
- An account would be classified as NPA only if the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter.
- The amount of a liquidity facility remains outstanding for more than 90 days, in respect of securitisation transactions undertaken in accordance with the RBI guidelines on securitisation dated February 1, 2006.
- In respect of derivative transactions, the overdue receivables representing the positive mark to market value of a derivative contract, remain unpaid for a period of 90 days from the specified due date for payment.

'Out of Order' status

An account is treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power.

In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Bank's Balance Sheet, or where credits are not enough to cover the interest debited during the same period, such accounts are treated as 'out of order'.

### 'Overdue'

Any amount due to the Bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the Bank.

#### ▪ **Resolution of Stressed Assets**

Early identification and reporting of stress:

Identification of incipient stress in loan accounts, immediately on default\*, by classifying stressed assets as special mention accounts (SMA) as per the following categories:

| SMA Sub-categories | Basis for classification – Principal or interest payment or any other amount wholly or partly overdue between |
|--------------------|---------------------------------------------------------------------------------------------------------------|
| SMA-0              | 1-30 days                                                                                                     |
| SMA-1              | 31-60 days                                                                                                    |
| SMA-2              | 61-90 days                                                                                                    |

\* Default' means non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not repaid by the debtor or the corporate debtor. For revolving facilities like cash credit, default would also mean, without prejudice to the above, the outstanding balance remaining continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than 30 days.

#### ▪ **Discussion of the Bank's Credit Risk Management Policy**

The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Over the years, the policy & procedures in this regard have been refined as a result of evolving concepts and actual experience. The policy and procedures have been aligned to the approach laid down in Basel-II and RBI guidelines.

Credit Risk Management encompasses identification, assessment, measurement, monitoring and control of the credit risk in exposures.

In the processes of identification and assessment of Credit Risk, the following functions are undertaken:

- (i) Developing and refining the Credit Risk Assessment (CRA) Models/Scoring Models to assess the Counterparty Risk, by taking into account the various risks categorised broadly into Financial, Business, Industrial and Management Risks, each of which is scored separately.
- (ii) Conducting industry research to give specific policy prescriptions and setting quantitative exposure parameters for handling portfolio in large / important industries, by issuing advisories on the general outlook for the Industries/ Sectors, from time to time.

The measurement of Credit Risk involves computation of Credit Risk Components viz Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD).

The monitoring and control of Credit Risk includes setting up exposure limits to achieve a well-diversified portfolio across dimensions such as single borrower, group borrower and industries. For better risk management and avoidance of concentration of Credit Risks, internal guidelines on prudential exposure norms in respect of individual companies, group companies, Banks, individual borrowers, non-corporate entities, sensitive sectors such as capital market, real estate, sensitive commodities, etc., are in place. Credit Risk Stress Tests are conducted at half yearly interval to identify vulnerable areas for initiating corrective action, where necessary.

The Bank has also a Loan Policy which aims at continued improvement of the overall quality of assets at the portfolio level, by establishing a commonality of approach regarding credit basics, appraisal skills, documentation standards and awareness of institutional concerns and strategies, while leaving enough room for flexibility and innovation.

The Bank has processes and controls in place in regard to various aspects of Credit Risk Management such as appraisal, pricing, credit approval authority, documentation, reporting and monitoring, review and renewal of credit facilities, management of problem loans, credit monitoring, etc. The Bank also has a system of Credit Audit with the aims of achieving continuous improvement in the quality of the credit portfolio with exposure of ₹20 cr. and above. Credit Audit covers audit of credit sanction decisions at various levels. Both the pre-sanction process and post-sanction position are examined as a part of the Credit Audit System. Credit Audit also examines identified Risks and suggests Risk Mitigation Measures.

### DF-3: Quantitative Disclosures as on 31.03.2025

(Insurance entities, JVs & Non-financial entities excluded)

#### General Disclosures:

| (₹ In Crores)                                                                                                                     |                           |                |            |
|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------|------------|
| Quantitative Disclosures                                                                                                          | Fund Based                | Non-Fund Based | Total      |
| b Total Gross Credit Risk Exposures                                                                                               | 4309336.00                | 518351.82      | 4827687.82 |
| c Geographic Distribution of Exposures: FB / NFB                                                                                  |                           |                |            |
| Overseas                                                                                                                          | 667394.33                 | 27167.65       | 694561.98  |
| Domestic                                                                                                                          | 3641941.67                | 491184.17      | 4133125.84 |
| d Industry Type Distribution of Exposures<br>Fund based / Non-Fund Based separately                                               | Please refer to Table "A" |                |            |
| e Residual Contractual Maturity Breakdown of Assets                                                                               | Please refer to Table "B" |                |            |
| f Amount of NPAs (Gross) i.e. Sum of (i to v)                                                                                     |                           |                | 78629.22   |
| i. Substandard                                                                                                                    |                           |                | 16013.34   |
| ii. Doubtful 1                                                                                                                    |                           |                | 11134.55   |
| iii. Doubtful 2                                                                                                                   |                           |                | 10634.03   |
| iv. Doubtful 3                                                                                                                    |                           |                | 16331.75   |
| v. Loss                                                                                                                           |                           |                | 24515.55   |
| g Net NPAs                                                                                                                        |                           |                | 19819.50   |
| h NPA Ratios                                                                                                                      |                           |                |            |
| i) Gross NPAs to gross advances                                                                                                   |                           |                | 1.82%      |
| ii) Net NPAs to net advances                                                                                                      |                           |                | 0.47%      |
| i Movement of NPAs (Gross)                                                                                                        |                           |                |            |
| i) Opening balance                                                                                                                |                           |                | 85674.03   |
| ii) Additions                                                                                                                     |                           |                | 26610.47   |
| iii) Reductions                                                                                                                   |                           |                | 33655.28   |
| iv) Closing balance                                                                                                               |                           |                | 78629.22   |
| j Movement of provisions for NPAs                                                                                                 |                           |                |            |
| i) Opening balance                                                                                                                |                           |                | 64551.03   |
| ii) Provisions made during the period                                                                                             |                           |                | 18696.94   |
| iii) Write-off/Write-back of excess provisions                                                                                    |                           |                | 24438.25   |
| iv) Closing balance                                                                                                               |                           |                | 58809.72   |
| k Amount of Non-Performing Investments                                                                                            |                           |                | 2159.00    |
| l Amount of Provisions held for Non-Performing Investments                                                                        |                           |                | 1815.34    |
| m Movement of Provisions for Depreciation on Investments                                                                          |                           |                |            |
| Opening balance                                                                                                                   |                           |                | 9534.34*   |
| Provisions made during the period                                                                                                 |                           |                | -36.85     |
| Write-off                                                                                                                         |                           |                | 1310.02    |
| Write-back of excess provisions                                                                                                   |                           |                | 3653.87    |
| Closing balance                                                                                                                   |                           |                | 4533.60    |
| n By major industry or counter party type                                                                                         |                           |                |            |
| Amt. of NPA and if available, past due loans, provided separately                                                                 |                           |                | 27359.15   |
| Specific & general provisions; and                                                                                                |                           |                | -          |
| Specific provisions and write-offs during the current period                                                                      |                           |                | -          |
| o Amt. of NPAs and past due loans provided separately by significant geographical areas including specific and general provisions |                           |                | -          |
| Provisions                                                                                                                        |                           |                | -          |

\*Opening Balance revised on account of transition as per RBI Master Direction on Classification, Valuation and Operation of investment portfolio of Commercial Banks (Directions) 2023

**Table- A: DF-3 (d) Industry Type Distribution of Exposures as on 31.03.2025**

(₹ In Crores)

| Code         | Industry                       | Fund Based [Outstanding-O/s] |                  |                     | Non-Fund Based(O/s) |
|--------------|--------------------------------|------------------------------|------------------|---------------------|---------------------|
|              |                                | Standard                     | NPA              | Total               |                     |
| 1            | Coal                           | 7,559.88                     | 331.54           | 7,891.42            | 7160.26             |
| 2            | Mining                         | 14,567.65                    | 118.14           | 14,685.79           | 3662.19             |
| 3            | Iron & Steel                   | 74,215.63                    | 419.15           | 74,634.78           | 52790.54            |
| 4            | Metal Products                 | 43,463.03                    | 317.60           | 43,780.63           | 17484.52            |
| 5            | All Engineering                | 52,974.60                    | 1,562.77         | 54,537.37           | 76380.37            |
| 5.1          | Of which Electronics           | 11,819.79                    | 106.52           | 11,926.31           | 6344.22             |
| 6            | Electricity                    | 3,387.02                     | 1.71             | 3,388.73            | 0.18                |
| 7            | Cotton Textiles                | 25,987.21                    | 1,153.25         | 27,140.46           | 1795.21             |
| 8            | Jute Textiles                  | 769.31                       | 119.84           | 889.15              | 48.26               |
| 9            | Other Textiles                 | 12,349.43                    | 1,152.56         | 13,501.99           | 2151.04             |
| 10           | Sugar                          | 10,698.68                    | 187.53           | 10,886.21           | 1120.43             |
| 11           | Tea                            | 1,595.35                     | 35.67            | 1,631.02            | 34.77               |
| 12           | Food Processing                | 97,841.52                    | 4,651.78         | 1,02,493.30         | 6421.34             |
| 13           | Vegetable Oils & Vanaspati     | 6,385.57                     | 456.60           | 6,842.17            | 4677.76             |
| 14           | Tobacco / Tobacco Products     | 3,998.33                     | 7.27             | 4,005.60            | 136.90              |
| 15           | Paper / Paper Products         | 7,063.46                     | 280.53           | 7,343.99            | 979.94              |
| 16           | Rubber / Rubber Products       | 11,443.20                    | 267.91           | 11,711.11           | 1684.25             |
| 17           | Chemicals / Dyes / Paints etc. | 1,03,042.74                  | 790.45           | 1,03,833.19         | 55270.31            |
| 17.1         | Of which Fertilizers           | 10,144.09                    | 14.13            | 10,158.22           | 11777.44            |
| 17.2         | Of which Petrochemicals        | 53,345.02                    | 26.11            | 53,371.13           | 36760.45            |
| 17.3         | Of which Drugs & Pharma        | 19,577.60                    | 370.07           | 19,947.67           | 2814.61             |
| 18           | Cement                         | 10,488.94                    | 409.78           | 10,898.72           | 4701.54             |
| 19           | Leather & Leather Products     | 2,665.97                     | 78.69            | 2,744.66            | 319.82              |
| 20           | Gems & Jewellery               | 8,260.98                     | 1,240.80         | 9,501.78            | 183.65              |
| 21           | Construction                   | 65,397.87                    | 918.18           | 66,316.05           | 26404.05            |
| 22           | Petroleum                      | 1,06,800.01                  | 184.92           | 1,06,984.93         | 20131.00            |
| 23           | Automobiles & Trucks           | 24,863.68                    | 286.98           | 25,150.66           | 5038.72             |
| 24           | Computer Software              | 3,437.83                     | 10.23            | 3,448.06            | 1751.48             |
| 25           | Infrastructure                 | 4,37,175.30                  | 11,176.69        | 4,48,351.99         | 88888.54            |
| 25.1         | Of which Power                 | 2,58,251.63                  | 1,034.25         | 2,59,285.88         | 49397.98            |
| 25.2         | Of which Telecommunication     | 28,605.83                    | 2,523.04         | 31,128.87           | 1295.40             |
| 25.3         | Of which Roads & Ports         | 91,227.05                    | 5,093.65         | 96,320.70           | 15625.57            |
| 26           | Other Industries               | 5,73,034.13                  | 26,954.32        | 5,99,988.45         | 84250.07            |
| 27           | NBFCs & Trading                | 8,07,098.59                  | 8,965.60         | 8,16,064.19         | 23361.96            |
| 28           | Residual Advances              | 17,14,140.86                 | 16,548.73        | 17,30,689.59        | 31522.70            |
| <b>Total</b> |                                | <b>42,30,706.78</b>          | <b>78,629.22</b> | <b>43,09,336.00</b> | <b>518351.82</b>    |

**Table- B DF-3 (e) SBI (CONSOLIDATED) Residual contractual maturity breakdown of assets as on 31.03.2025\***

| INFLWS                      | (₹ In Crores)    |                 |                 |                  |                         |                                    |                               |                             |                            |                             |                   |
|-----------------------------|------------------|-----------------|-----------------|------------------|-------------------------|------------------------------------|-------------------------------|-----------------------------|----------------------------|-----------------------------|-------------------|
|                             | 1 day            | 2-7 days        | 8-14 days       | 15-30 days       | 31 days & upto 2 months | More than 2 months & upto 3 months | Over 3 months & upto 6 months | Over 6 months & upto 1 year | Over 1 year & upto 3 years | Over 3 years & upto 5 years | TOTAL             |
| 1 Cash                      | 18496.76         | 7.74            | 0.00            | 0.00             | 0.01                    | 0.00                               | 0.00                          | 0.00                        | 0.00                       | 0.00                        | 18504.51          |
| 2 Balances with RBI         | 2002.54          | 4438.55         | 1932.71         | 2906.71          | 3627.74                 | 2740.54                            | 8503.65                       | 41119.93                    | 61049.42                   | 19967.67                    | 208883.33         |
| 3 Balances with other Banks | 109951.29        | 12245.84        | 1287.79         | 2653.90          | 1283.18                 | 2141.33                            | 4154.75                       | 2894.96                     | 591.52                     | 401.31                      | 137799.12         |
| 4 Investments               | 20386.58         | 3410.70         | 600.02          | 8051.77          | 11090.64                | 16346.82                           | 33912.82                      | 133389.77                   | 268362.31                  | 347624.59                   | 1746600.32        |
| 5 Advances                  | 61711.74         | 29024.38        | 25802.42        | 81640.54         | 111734.98               | 68408.69                           | 220461.78                     | 301006.88                   | 1636391.29                 | 519522.40                   | 4274850.57        |
| 6 Fixed Assets              | 0.00             | 0.00            | 0.00            | 7.50             | 15.00                   | 15.01                              | 45.12                         | 155.40                      | 72.92                      | 27.06                       | 45435.43          |
| 7 Other Assets              | 5583.67          | 14955.40        | 13536.30        | 10496.00         | 7611.00                 | 10028.86                           | 24558.81                      | 70760.44                    | 140531.76                  | 56129.71                    | 89596.43          |
| <b>TOTAL</b>                | <b>218132.58</b> | <b>64082.60</b> | <b>43159.24</b> | <b>105756.42</b> | <b>135362.55</b>        | <b>99681.25</b>                    | <b>291636.92</b>              | <b>549327.38</b>            | <b>2106999.22</b>          | <b>943672.74</b>            | <b>2318050.73</b> |
|                             |                  |                 |                 |                  |                         |                                    |                               |                             |                            |                             | <b>6875861.66</b> |

\*Notes:

- Insurance entities, Non-financial entities, JVs, Special Purpose Vehicles & Intra-group Adjustments are excluded.
- Investments include Non-Performing Investments and Advances includes Non-Performing Advances.
- The Bucketing structure has been revised based on the RBI guidelines dated March 23, 2016.

## DF-4: CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

As on 31.03.2025

### Disclosures for Portfolios subject to Standardised Approach

#### Qualitative Disclosures

- **Names of Credit Rating Agencies used, plus reasons for any changes**

- (a) As per RBI Guidelines, the Bank has identified CARE, CRISIL, ICRA, India Rating, ,Brickwork\*,ACUITE Ratings and Research and INFOMERICs (Domestic Credit Rating Agencies) and FITCH, Moody's and S&P (International Rating Agencies) as approved Rating Agencies, for the purpose of rating Domestic and Overseas Exposures, respectively, whose ratings are used for the purpose of computing Risk-weighted Assets and Capital Charge.

- **Types of exposures for which each Agency is used**

- (i) For Exposures with a contractual maturity of less than or equal to one year (except Cash Credit, Overdraft and other Revolving Credits), Short-term Ratings given by approved Rating Agencies are used.
- (ii) For Cash Credit, Overdraft and other Revolving Credits (irrespective of the period) and for Term Loan exposures of over 1-year, Long Term Ratings are used.

- **Description of the process used to transfer Public Issue Ratings onto comparable assets in the Banking Book**

The key aspects of the Bank's external ratings application framework are as follows:

- All long term and short-term ratings assigned by the credit rating agencies specifically to the Bank's long term and short-term exposures respectively are considered by the Bank as issue specific ratings.
- Foreign sovereign and foreign bank exposures are risk-weighted based on issuer ratings assigned to them.
- The Bank ensures that the external rating of the facility/borrower has been reviewed at least once by the ECAI during the previous 15 months and is in force on the date of its application.
- Where multiple issuer ratings are assigned to an entity by various credit rating agencies, the risk weight is determined as follows:
  - If there is only one rating by a chosen credit rating agency for a particular claim, then that rating is used to determine the risk weight of the claim.
  - If there are two ratings accorded by chosen credit rating agencies, which map into different risk weights, the higher risk weight is applied.
  - If there are three or more ratings accorded by chosen credit rating agencies with different risk weights, the ratings corresponding to the two lowest risk weights are referred to and the higher of those two risk weights is applied, i.e., the second lowest risk weight.

\* The Securities and Exchange Board of India has cancelled the Certificate of Registration (CoR) granted to Brickwork Ratings India Private Limited as a Credit Rating Agency (CRA), vide Order WTM/ASB/MIRSD/MIRSD\_CRADT/20175/2022-23 dated October 6, 2022.

2. In view of the above, Regulated Entities/ Market Participants are advised by RBI, in respect of ratings/credit evaluations required in terms of any guidelines issued by them, no such fresh ratings/evaluations shall be obtained from the above-mentioned rating agency with immediate effect. The instructions regarding the prudential treatment of the existing ratings issued by the rating agency shall be advised separately
3. As per RBI guidelines RBI/2024-25/50 DOR.STR.REC.26/21.06.008/2024-25 dated July 10, 2024: Banks are hereby permitted to use the ratings of the CRA (Brickwork) for risk weighting their claims for capital adequacy purposes, subject to the following:
  - a. In respect of fresh rating mandates, rating may be obtained from the CRA for bank loans not exceeding ₹250 Crore.
  - b. In respect of existing ratings, the CRA may undertake rating surveillance irrespective of the rated amount, till the residual tenure of such loans.

Provided that in case of existing ratings assigned to working capital facilities exceeding ₹250 Crore, the CRA shall undertake rating surveillance only till the next renewal of such facility by the banks.



## Quantitative Disclosures as on 31.03.2025

- (b) For exposure amounts after risk mitigation subject to the Standardised Approach, amount of group's outstanding (rated and unrated) in each risk bucket as well as those that are deducted.

|                            | (₹ In Crores)       |
|----------------------------|---------------------|
|                            | Amount              |
| Below 100% Risk Weight     | 33,50,831.46        |
| 100% Risk Weight           | 6,24,140.14         |
| More than 100% Risk Weight | 8,52,716.23         |
| Deducted                   | 0.00                |
| <b>Total</b>               | <b>48,27,687.82</b> |

## DF-5: CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

As on 31.03.2025

### Credit Risk Mitigation: Disclosures for Standardised Approach

#### (a) Qualitative Disclosures

- **Policies and processes for, and an indication of the extent to which the bank makes use of, on- and off-balance sheet netting**

On-balance sheet netting is confined to loans/advances and deposits, where the Bank have legally enforceable netting arrangements, involving specific lien with proof of documentation. The Bank calculates capital requirements on the basis of net credit exposures subject to the following conditions:

Where bank,

- has a well-founded legal basis for concluding that the netting or offsetting agreement is enforceable in each relevant jurisdiction regardless of whether the counterparty is insolvent or bankrupt.
- is able at any time to determine the loans/advances and deposits with the same counterparty that are subject to the netting agreement; and
- monitors and controls the relevant exposures on a net basis, it may use the net exposure of loans/advances and deposits as the basis for its capital adequacy calculation. Loans/advances are treated as exposure and deposits as collateral.

- **Policies and Processes for Collateral Valuation and Management**

The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Part B of this policy deals with Credit Risk Mitigation and Collateral Management, addressing the Bank's approach towards the credit risk mitigants used for capital calculation.

The objective of this Policy is to enable classification and valuation of credit risk mitigants in a manner that allows regulatory capital adjustment to reflect them.

The Policy adopts the Comprehensive Approach, which allows full offset of collateral (after appropriate haircuts), wherever applicable against exposures, by effectively reducing the exposure amount by the value ascribed to the collateral. The following issues are addressed in the Policy:

- a) Classification of credit risk-mitigants
- b) Acceptable credit risk-mitigants
- c) Documentation and legal process requirements for credit risk-mitigants
- d) Valuation of collateral

- e) Margin and Haircut requirements
- f) External ratings
- g) Custody of collateral
- h) Insurance
- i) Monitoring of credit risk mitigants
- j) General guidelines.

- **Description of the main types of collateral taken by the Bank**

The following collaterals are usually recognised as Credit Risk Mitigants under the Standardised Approach:

- Cash or Cash equivalent (Bank Deposits/NSCs/KVP/LIC Policy, etc.)
- Gold
- Securities issued by Central / State Governments

Debt Securities rated BBB- or better A3 for Short-Term Debt Instrument

- **Main types of Guarantor Counterparty and their creditworthiness**

The Bank accepts the following entities as eligible guarantors, in line with RBI guidelines:

- (a) Sovereign, Sovereign entities [including Bank for International Settlements (BIS), International Monetary Fund (IMF), European Central Bank and European Community as well as Multilateral Development Banks, Export Credit & Guarantee Corporation (ECGC) and Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)], Public Sector Enterprises (PSEs), Banks and Primary Dealers with a lower risk weight than the counterparty.
- (b) Other guarantors having an external rating of AA or better. In case the guarantor is a parent company, affiliate, or subsidiary, they should enjoy a risk weight lower than the obligor for the guarantee to be recognised by the Bank. The rating of the guarantor should be an entity rating which has factored in all the liabilities and commitments (including guarantees) of the entity.

Information about (Market or Credit) risk concentrations within the mitigation taken:

The Bank has a well-dispersed portfolio of assets which are secured by various types of collaterals, such as: -

- Eligible financial collaterals listed above
- Guarantees by sovereigns and well-rated corporates,
- Fixed assets and current assets of the counterparty.

## Quantitative Disclosures as on 31.03.2025

|                                                                                                                                                                                                                            | (₹ In Crores) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| (b) For each separately disclosed credit risk portfolio the total exposure (after, where applicable, on- or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts. | 4,51,102.20   |
| (c) For each separately disclosed portfolio the total exposure (after, where applicable, on- or off-balance sheet netting) that is covered by guarantees/credit derivatives (whenever specifically permitted by RBI)       | 1,59,909.35   |

## DF-6: SECURITISATION EXPOSURES: DISCLOSURE FOR STANDARDISED APPROACH

As on 31.03.2025

### Qualitative Disclosures

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>(a)</b> The general qualitative disclosure requirement with respect to securitisation including a discussion of:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                 |
| The bank's objectives in relation to securitisation activity, including the extent to which these activities transfer credit risk of the underlying securitised exposures away from the bank to other entities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | The Bank's investment in securitisation assets (PTCs & PSLCs) with an object to optimise returns while adhering to Banks' risk appetite, ensure liquidity and to meet priority sector requirements of the Bank. |
| The nature of other risks (e.g. liquidity risk, pipeline and warehousing risk) inherent in securitised assets;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Credit Risk, Liquidity Risk, Interest Rate Risk, Prepayment Risk, Performance/ Servicer Risk.                                                                                                                   |
| The various roles played by the bank in the securitisation process (For example: originator, investor, servicer, provider of credit enhancement, liquidity provider, swap provider@, protection provider#) and an indication of the extent of the bank's involvement in each of them;<br>@ A bank may have provided support to a securitisation structure in the form of an interest rate swap or currency swap to mitigate the interest rate/currency risk of the underlying assets, if permitted as per regulatory rules.<br># A bank may provide credit protection to a securitisation transaction through guarantees, credit derivatives or any other similar product, if permitted as per regulatory rules. | Investor: The Bank invests in Pass-through Certificate (PTCs) & Priority Sector Lending Certificates (PSLCs) backed by financial assets.                                                                        |
| A description of the processes in place to monitor changes in the credit and market risk of securitisation exposures (for example, how the behaviour of the underlying assets impacts securitisation exposures as defined in para 5.16.1 of the Master Circular on NCAF dated July 1, 2012).                                                                                                                                                                                                                                                                                                                                                                                                                     | Bank has invested in securitisation product. Bank monitors rating migration and provides capital charge on the securitisation exposure.                                                                         |
| A description of the bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitisation exposures;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | As per Bank's internal guidelines                                                                                                                                                                               |
| <b>(b)</b> Summary of the bank's accounting policies for securitisation activities, including:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                 |
| Whether the transactions are treated as sales or financings;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Financing                                                                                                                                                                                                       |
| Methods and key assumptions (including inputs) applied in valuing positions retained or purchased                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | As per FIMMDA guidelines                                                                                                                                                                                        |
| Changes in methods and key assumptions from the previous period and impact of the changes;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | As per RBI guidelines                                                                                                                                                                                           |
| Policies for recognising liabilities on the balance sheet for arrangements that could require the bank to provide financial support for securitised assets.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Not Applicable                                                                                                                                                                                                  |
| Details of Sponsorship of Off-balance sheet vehicles.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Nil                                                                                                                                                                                                             |
| Valuation with regards to securitisation exposure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | As per FIMMDA guidelines                                                                                                                                                                                        |
| <b>(c)</b> In the banking book, the names of ECAIs used for securitisations and the types of securitisation exposure for which each agency is used.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Not Applicable                                                                                                                                                                                                  |

### Quantitative Disclosures: Banking Book

|                                                                                                                                                                                                              |                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>(d)</b> The total amount of exposures securitised by the bank.                                                                                                                                            | Nil            |
| <b>(e)</b> For exposures securitised losses recognised by the bank during the current period broken by the exposure type (e.g. Credit cards, housing loans, auto loans etc. detailed by underlying security) | Nil            |
| <b>(f)</b> Amount of assets intended to be securitised within a year                                                                                                                                         | Nil            |
| <b>(g)</b> Of (f), amount of assets originated within a year before securitisation.                                                                                                                          | Not Applicable |
| <b>(h)</b> The total amount of exposures securitised (by exposure type) and unrecognised gain or losses on sale by exposure type.                                                                            | Nil            |
| <b>(i)</b> Aggregate amount of:                                                                                                                                                                              |                |
| On-balance sheet securitisation exposures retained or purchased broken down by exposure type and                                                                                                             | ₹9571.85 Crs   |
| Off-balance sheet securitisation exposures broken down by exposure type                                                                                                                                      | Nil            |

|     |                                                                                                                                                                                                                                    |             |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| (j) | Aggregate amount of securitisation exposures retained or purchased and the associated capital charges, broken down between exposures and further broken down into different risk weight bands for each regulatory capital approach | ₹172.49 Crs |
|     | Exposures that have been deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type).                                             | Nil         |

### Quantitative Disclosures: Trading Book

|     |                                                                                                                                                                                                 |     |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| (k) | Aggregate amount of exposures securitised by the bank for which the bank has retained some exposures and which is subject to the market risk approach, by exposure type.                        | Nil |
| (l) | Aggregate amount of:                                                                                                                                                                            |     |
|     | On-balance sheet securitisation exposures retained or purchased broken down by exposure type; and                                                                                               | Nil |
|     | Off-balance sheet securitisation exposures broken down by exposure type.                                                                                                                        | Nil |
| (m) | Aggregate amount of securitisation exposures retained or purchased separately for:                                                                                                              | Nil |
|     | Securitisation exposures retained or purchased subject to Comprehensive Risk Measure for specific risk; and                                                                                     | Nil |
|     | Securitisation exposures subject to the securitisation framework for specific risk broken down into different risk weight bands.                                                                | Nil |
| (n) | Aggregate amount of:                                                                                                                                                                            |     |
|     | The capital requirements for the securitisation exposures, subject to the securitisation framework broken down into different risk weight bands.                                                | Nil |
|     | Securitisation exposures that are deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type). | Nil |

### (o) Details of Securitisation exposure in the Banking Book:

#### i) Details of securitisation exposure retained or purchased at 31.03.2025

| (₹ In Crores)           |                  |                   |                 |
|-------------------------|------------------|-------------------|-----------------|
| Exposure type           | On-balance sheet | Off-balance sheet | Total           |
| Vehicle/equipment loans | 9,564.44         | Nil               | 9,564.44        |
| Home Loans              | Nil              | Nil               | Nil             |
| Personal loans          | Nil              | Nil               | Nil             |
| Unsecured loans         | 7.41             | Nil               | 7.41            |
| Corporate loans         | Nil              | Nil               | Nil             |
| Others                  | Nil              | Nil               | Nil             |
| <b>Total</b>            | <b>9,571.85</b>  | <b>Nil</b>        | <b>9,571.85</b> |

#### ii) Details of Risk weights band break-up of securitisation exposure as at 31.03.2025

| (₹ In Crores)               |                   |                  |                   |               |
|-----------------------------|-------------------|------------------|-------------------|---------------|
|                             | <100% risk weight | 100% risk weight | >100% risk weight | Total         |
| Exposure                    | 9,571.85          | -                | -                 | 9,571.85      |
| <b>Total capital charge</b> | <b>172.49</b>     | <b>-</b>         | <b>-</b>          | <b>172.49</b> |

### (p) Details of Securitisation exposure in the Trading Book: Nil

## DF-7: MARKET RISK IN TRADING BOOK

As on 31.03.2025

### (a) QUALITATIVE DISCLOSURES:

- (1) The Bank follows Standardised Method (SM) for computing capital requirement for Market Risk.
- (2) Market Risk Management Department (MRMD) is functioning as a part of Risk Management Department of the Bank, in terms of Governance structure approved by the Board of the Bank.
- (3) MRMD is responsible for identification, assessment, monitoring and reporting of market risk associated with Treasury Operations.
- (4) The following Board approved policies with defined Market Risk Management parameters for each asset class are in place:
  - (a) Market Risk Management Policy
  - (b) Market Risk Limits Policy
  - (c) Investment Policy
  - (d) Trading Policy
  - (e) Stress Test Policy
  - (f) Hedging Policy (for Bank)
- (5) Risk monitoring is an ongoing process and risk positions are analysed and reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.
- (6) Risk management and reporting is based on parameters such as Modified Duration, Convexity, PV01, Option Greeks, Maximum permissible exposures, Value at Risk Limits, Concentration Risk Limits, Lower and upper management Action Triggers, in line with global best practices.
- (7) Forex Open position limit (Daylight/Overnight), Stop Loss Limit, Aggregate Gap Limit (AGL), Individual Gap Limit (IGL) as approved by the Board is monitored and exceptions, if any, is reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.
- (8) Value at Risk (VaR) computation and Back-Testing of VaR number is carried out on daily basis. Market Risk Stress Testing is carried out at quarterly intervals as a complement to Value at Risk. Results are reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.
- (9) Respective Foreign offices monitor market risk of their investment portfolio, as per the local regulatory and RBI stipulations. Further, Stop Loss limit for individual investments and exposure limits for certain portfolios have been prescribed.

### (B) QUANTITATIVE DISCLOSURES:

#### CAPITAL CHARGE ON MARKET RISK

The Bank maintains Capital Charge for Market Risk under the Standardised method as under.

|                                        |  | (₹ In Crores)   |
|----------------------------------------|--|-----------------|
| Category                               |  | 31.03.2025      |
| Interest Rate Risk                     |  | 9117.78         |
| Equity Risk                            |  | 34028.27        |
| Foreign Exchange Risk (including Gold) |  | 1106.86         |
| <b>Total</b>                           |  | <b>44252.91</b> |

## DF-8: OPERATIONAL RISK

As on 31.03.2025

### Qualitative disclosures

#### A. The structure and organisation of Operational Risk Management function

- The Operational Risk Management Department functions in SBI as part of the Integrated Risk Governance Structure under the control of Group Chief Risk Officer. In SBI, Group Chief Risk Officer reports to Risk Management Committee of the Board (RMCB).
- The operational risk related issues in other Group entities are being dealt with as per the requirements of the business model and their regulators under the overall control of Chief Risk Officers of respective entities.

#### Policies for control and mitigation of Operational Risk in SBI

Domestic Banking Entities (SBI)

#### The following Policies, Framework Documents and Manuals are in place in SBI:

Policies and Framework Documents

- Operational Risk Management policy encompasses Operational Risk Management Framework for systematic and proactive identification, assessment, measurement, monitoring, mitigation and reporting of the Operational Risks.
- Loss Data Management Policy
- IT Policy and Standards
- Cyber Security Policy
- Information Security Policy & Standards
- Comprehensive Business Continuity and Operational Resilience (BC&OR) Policy
- Policy on Know Your Customer (KYC) Standards and Anti Money Laundering (AML)/ Combating of Financing of Terrorism Measures
- Policy on Fraud Risk Management
- IT Outsourcing and Procurement Policy
- Policy on Insurance
- Framework on RCSA
- TPRM Framework

#### Manuals

- Operational Risk Management Manual
- Loss Data Management Manual
- Business Continuity and Operational Resilience (BC& OR) Manual
- Business Continuity Management System (BCMS) Plan

#### Domestic Non-Banking and Overseas Banking entities

Policies and Manuals, as relevant to the business model of non-Banking entities and as per the requirements of the overseas regulators in respect of Overseas Banking subsidiaries are in place. A few of the policies in place are – Disaster Recovery Plan/ Business Continuity Plan, Incident Reporting Mechanism, Near Miss Events Reporting Mechanism, Outsourcing Policy, etc.

## **B. Strategies and Processes**

### **Domestic Banking entities (SBI)**

- To successfully embed the risk culture and operational risk management, Risk Management Committees at various levels at Circles like RMCAOs, RMCCs, and RMCs at the Business and Support Groups (RMC-RB&O, RMC-IBG, RMC-GMU, RMC-CAG, RMC-CCG, RMC-SARG & RMC-IT) are in place in addition to the Operational Risk Management Committee (ORMC) and the Risk Management Committee of the Board (RMCB).
- The process of building a comprehensive database of internal and external losses due to Operational Risks as per Basel defined 8 Business Lines and 7 Loss Event Types is in place. In addition, Near Miss Events is also captured to improve risk management practices.
- Risk and Control Self-Assessment (RCSA) is a proactive exercise conducted in workshop-based approach to identify gaps, if any, in the existing controls and suggestions are invited for improvement of System & Controls to mitigate the Risks. RCSA also helps in inculcating risk awareness among staff members. RCSA exercise is carried out across Bank Branches, CPCs and Offices on a yearly basis. Bank also conducts theme based RCSA for Products /Processes at the time of launch/review. Based on the RCSA exercise, Mitigation plans are prepared and implemented for activities rated as High & Critical Risks. Feasibility study is carried out by Business owners for suggestions emanated during RCSA exercise for further improvement of System & Controls in the Bank. Adhoc-RCSA is conducting, as a pro-active approach, at branches identified based on the operational loss incidents, frauds, sudden spurt in business and complaints etc.
- Key Indicators (KIs) have been identified across the Business and Support Groups with threshold and monitoring mechanism is in place. KIs are being monitored at quarterly intervals by the Risk Management Committees (RMC) at Circles, the Operational Risk Management Committee (ORMC) and the Risk Management Committee of the Board (RMCB). Top 10 critical KIs are identified during the financial year for close follow up.
- Development of internal systems for quantifying and monitoring operational risk as required under Basel II/ III guidelines, is in place.
- Vendor Risk Assessment are being conducted for Vendor Engagements at the time of onboarding and during periodic review. Results of Vendor Risk Assessment are placed before Risk Management Committees.

### **Others**

The following measures are being used to control and mitigate Operational Risks in the Domestic Banking entities:

- "Book of Instructions" (Manual on General Instructions, Manual on Loans & Advances) which contains detailed procedural guidelines for processing various banking transactions. Amendments and modifications to update these guidelines are being carried out regularly through e-circulars/Master circulars. Guidelines and instructions are also propagated through e-Circulars, E-Learning Lessons, Training Programs, etc.
- Updated Manuals and operating instructions relating to Business Process Re-engineering (BPR) units.
- Delegation of Financial powers, which details sanctioning powers of various levels of officials for different types of financial and non-financial transactions.
- Training of staff-Inputs on Operational Risk is included as a part of Risk Management modules in the trainings conducted for various categories of staff at Bank's Apex Training Institutes and State Bank Institute of Learning and Development.
- Insurance cover is obtained for most of the potential operational risks excluding frauds, as per Bank's policy on insurance.
- Internal Auditors are responsible for the examination and evaluation of the adequacy and effectiveness of the control systems and the functioning of specific control procedures. They also conduct review of the existing systems to ensure compliance with legal and regulatory requirements, codes of conduct and the implementation of policies and procedures.

- In order to ensure business continuity, resumption and recovery of critical business process after a disaster, the Bank has robust Comprehensive Business Continuity and Operational Resilience Policy and Business Continuity and Operational Resilience Manual in place.
- Stringent Implementation of vacation policy.

#### **Domestic Non-Banking and Overseas Banking entities**

Adequate measures by way of systems and procedures and reporting have been put in place in the Domestic Non-Banking and Overseas Banking entities.

### **C. The scope and nature of Risk Reporting and Measurement Systems**

- A system of prompt submission of reports on Frauds is in place in all the Group entities.
- A comprehensive system of Preventive Vigilance & Whistle Blowing has been established in all the Group entities.
- Significant risks thrown up in RCSA exercise at all Branches, Scenario Analysis and Loss Data/ NMEs analysis are reported to Top Management at regular intervals and corrective actions are initiated on an ongoing basis.
- Basic Indicator Approach with capital charge of 15% of average gross income for previous 3 years is applied for Operational Risk, except Insurance Companies, for the year ended 31<sup>st</sup> March 2025.
- RBI has issued Master Guidelines on 26<sup>th</sup> June 2023 for implementation of revised Basel III Standardised Approach (SA) and proposed to replace all existing approaches for calculating Operational Risk capital. However, the effective date of implementation of these directions shall be communicated subsequently by RBI. Until then, the minimum operational risk regulatory capital requirements shall be computed as per Basic Indicator Approach (BIA) in accordance with the instructions contained in 'Master Circular – Basel III Capital Regulations' issued vide RBI circular dated 1<sup>st</sup> April 2025, as amended from time to time.



## DF-9: INTEREST RATE RISK IN BANKING BOOK (IRRBB)

As on 31.03.2025

### 1. Qualitative Disclosures

Interest rate risk refers to impact on Bank's Net Interest Income and the value of its assets and liabilities arising from fluctuations in interest rate due to internal and external factors. Internal factors include the composition of the Bank's assets and liabilities, quality, maturity, existing rates and re-pricing period of deposits, borrowings, loans and investments. External factors cover general economic conditions. Rising or falling interest rates impact the Bank depending on whether the Balance Sheet is asset sensitive or liability sensitive. The Bank identifies the inherent risks associated with the changing interest rates on its on-balance sheet and off-balance sheet exposures in the banking book from both a short-term and long-term perspective.

#### 1.1 Structure and organisation

The Asset-Liability Management Committee (ALCO) is responsible for evolving appropriate systems and procedures for ongoing identification and analysis of Balance Sheet risks and laying down parameters for efficient management of these risks through ALM Policy of the Bank. ALCO, therefore, periodically monitors and controls the risks and returns, funding and deployment, setting Bank's lending and deposit rates, and directing the investment activities of the Bank. The Risk Management Committee of the Board of Directors (RMCB) oversees the implementation of the system for ALM and reviews its functioning periodically and provides direction. It reviews various decisions taken by ALCO for managing interest rate risk.

#### 1.2 Scope and nature of risk reporting and measurement systems

RBI has stipulated monitoring of Interest Rate Risk at monthly intervals through a Statement of Interest Rate Sensitivity under Traditional Gap Analysis (IRS-TGA). Accordingly, ALCO reviews IRS-TGA on monthly basis and monitors the Earnings at Risk (EaR) which measures the change in Net Interest Income of the Bank due to parallel change in interest rate on both the assets & liabilities.

RBI has also stipulated to estimate the impact of change in interest rates on economic value of Bank's assets and liabilities through Interest Rate Sensitivity under Duration Gap Analysis (IRS-DGA), which Bank carries out on monthly basis. The impact of interest rate changes on the Market Value of Equity is monitored through IRS-DGA by recognising the changes in the value of assets and liabilities by a given change in the market interest rate. The change in value of equity (including reserves) with 2% parallel shift in interest rates for both assets and liabilities is estimated.

**EaR:** The immediate impact of changes in interest rates is on Bank's earnings through changes in its Net Interest Income (NII). EaR is useful in calculating the impact of the change in interest rate on the NII for a shorter period of time (impact over a one-year period). The EaR computations include the banking book as well as the trading book.

**MVE:** A long-term impact of changes in interest rates is on Bank's Market Value of Equity (MVE) or Net Worth through changes in the economic value of its liabilities and off-balance sheet positions. Although these changes in value do not pass-through earnings, they have a bearing on Bank's capital position.

The Bank uses MVE approach as part of a framework to manage IRRBB for its domestic and foreign operations. Impact on MVE is assessed for the overall Bank and Banking Book separately. In order to effectively monitor and manage IRRBB, the ALM Policy stipulates separate MVE limits for overall Bank and Banking Book.

#### 1.3 Policies for hedging and mitigating risk

The Bank has a policy for undertaking hedge transactions. Depending on the underlying and prevailing market conditions, the Bank enters into hedge transactions for identified assets or liabilities. Derivative instruments like Interest Rate Swaps, OIS, Forward Rate Agreements and Cross Currency Swaps are used as a hedging technique by the Bank.

## 2. Quantitative Disclosures (for State Bank Group) (March 2025)

- 2.1** The following table sets forth, estimated impact on NII due to changes in interest rates on interest sensitive positions as on 31<sup>st</sup> March 2025, assuming a parallel shift in the yield curve.

### Earnings at Risk (EaR)

|                                                                                                           | (₹ in Crore)  |
|-----------------------------------------------------------------------------------------------------------|---------------|
|                                                                                                           | Impact on NII |
| Impact of 100 bps parallel shift in interest rate on both assets & liability on Net Interest Income (NII) | 9,420.43      |
| Impact of 200 bps parallel shift in interest rate on both assets & liability on Net Interest Income (NII) | 18,840.77     |

- 2.2** The following table sets forth, estimated impact on MVE due to changes in interest rates on interest sensitive positions as on 31<sup>st</sup> March 2025, assuming a parallel shift in the yield curve.

### Market Value of Equity (MVE)

|                                                                                                                             | (₹ in Crore)  |
|-----------------------------------------------------------------------------------------------------------------------------|---------------|
|                                                                                                                             | Impact on MVE |
| Impact of 100 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE) - Banking Book | 7,776.03      |
| Impact of 200 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE) - Banking Book | 15,552.05     |

## DF-10: GENERAL DISCLOSURE FOR EXPOSURE RELATED TO COUNTERPARTY CREDIT RISK

As on 31.03.2025

### Qualitative Disclosure:

Counterparty Credit Risk (CCR) is the risk that the counterparty to a transaction would default before the final settlement of the transaction's cash flows. An economic loss would occur if the transactions with the counterparty have a positive economic value at the time of default.

For mitigating the Counterparty Credit Risk, the Bank has adopted the following processes:

- Credit Risk Management Department (CRMD) of the Bank sets the maximum Permissible Global Exposure Limit (PGEL) for counterparty exposure on Domestic Banks, Foreign Banks, Development Financial Institution, Primary Dealers, Qualified Central Counterparties, Small Finance Banks & Payment Banks.
- CRMD uses scoring models for setting the Permissible Global Exposure Limit (PGEL) for counterparty exposure.
- PGELs are allocated to all business units, viz., CAG, CCG, RB&O, Global Markets & IBG, who in turn allocate the limits among various operating units under their respective control.
- In addition to the above, the Bank has put in place various Policies and Manuals viz., Trading Policy, Market Risk Management Policy, Market Management Manual, Forex Trading Manual, Derivative Trading Manual etc. for managing Counterparty Credit risk in the Bank.

## Quantitative Disclosure:

(₹ in Crore)

| Distribution of Notional and Current Credit Exposure | Notional          | Current credit exposure | Exposure under Current Exposure Method (CEM) |
|------------------------------------------------------|-------------------|-------------------------|----------------------------------------------|
| a) Interest rate Swaps                               | 1155521.24        | 3916.20                 | 12997.91                                     |
| b) Cross Currency Swaps                              | 199906.20         | 1732.43                 | 12807.01                                     |
| c) Currency Options                                  | 179260.91         | 344.03                  | 7325.66                                      |
| d) Foreign Exchange Contracts                        | 1239910.62        | 8278.48                 | 44869.76                                     |
| e) Currency Futures                                  | 0.00              | 0.00                    | 0                                            |
| f) Forward Rate Agreements                           | 245.95            | 0.00                    | 0                                            |
| g) Others (please specify product name) - NDF        | 63464.19          | 1218.78                 | 2488.06                                      |
| h) Bond FRA                                          | 2335.00           | 3.63                    | 31.16                                        |
| <b>Total</b>                                         | <b>2840644.10</b> | <b>15493.55</b>         | <b>80519.56</b>                              |
| Credit Derivative transactions                       | NIL               |                         |                                              |

## DF-11: COMPOSITION OF CAPITAL

As on 31.03.2025

(₹ in Crore)

| Basel III common disclosure template to be used from March 31, 2017 |                                                                                                                                                                                                                                                                     |                  |                                                 |
|---------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------------------------------------|
| Common Equity Tier 1 capital: instruments and reserves              |                                                                                                                                                                                                                                                                     |                  | Ref No.<br>(with respect to<br>DF - 12: Step 2) |
| 1                                                                   | Directly issued qualifying common share capital plus related stock surplus (share premium)                                                                                                                                                                          | 80008.06         | A1 + B3                                         |
| 2                                                                   | Retained earnings                                                                                                                                                                                                                                                   | 331777.66        | B1 + B2 + B7 +<br>B8 + B9+AFS (#)               |
| 3                                                                   | Accumulated other comprehensive income (and other reserves)                                                                                                                                                                                                         | 25325.37         | B5 * 75% + B6 *<br>45%                          |
| 4                                                                   | Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)                                                                                                                                                               | 0                |                                                 |
| 5                                                                   | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)                                                                                                                                                                | 3596.32          |                                                 |
| 6                                                                   | <b>Common Equity Tier 1 capital before regulatory adjustments</b>                                                                                                                                                                                                   | <b>440707.41</b> |                                                 |
| Common Equity Tier 1 capital: regulatory adjustments                |                                                                                                                                                                                                                                                                     |                  |                                                 |
| 7                                                                   | Prudential valuation adjustments                                                                                                                                                                                                                                    | 4115.27          |                                                 |
| 8                                                                   | Goodwill (net of related tax liability)                                                                                                                                                                                                                             | 1402.37          | D                                               |
| 9                                                                   | Intangibles (net of related tax liability)                                                                                                                                                                                                                          | 0                |                                                 |
| 10                                                                  | Deferred Tax Assets                                                                                                                                                                                                                                                 | 10.05            |                                                 |
| 11                                                                  | Cash-flow hedge reserve                                                                                                                                                                                                                                             | 0                |                                                 |
| 12                                                                  | Shortfall of provisions to expected losses                                                                                                                                                                                                                          | 0                |                                                 |
| 13                                                                  | Securitisation gain on sale                                                                                                                                                                                                                                         | 0                |                                                 |
| 14                                                                  | Gains and losses due to changes in own credit risk on fair valued liabilities                                                                                                                                                                                       | 0                |                                                 |
| 15                                                                  | Defined-benefit pension fund net assets                                                                                                                                                                                                                             | 0                |                                                 |
| 16                                                                  | Investments in own shares (if not already netted off paid-up capital on reported balance sheet)                                                                                                                                                                     | 212.43           |                                                 |
| 17                                                                  | Reciprocal cross-holdings in common equity                                                                                                                                                                                                                          | 51.43            |                                                 |
| 18                                                                  | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | 0                |                                                 |

## Basel III common disclosure template to be used from March 31, 2017

| Common Equity Tier 1 capital: instruments and reserves |                                                                                                                                                                                                                                                                                          |                  | Ref No.<br>(with respect to<br>DF - 12: Step 2) |
|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------------------------------------|
| 19                                                     | Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)                                                                            | 0                |                                                 |
| 20                                                     | Mortgage servicing rights (amount above 10% threshold)                                                                                                                                                                                                                                   | 0                |                                                 |
| 21                                                     | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)                                                                                                                                                                        | 0                |                                                 |
| 22                                                     | Amount exceeding the 15% threshold                                                                                                                                                                                                                                                       | 0                |                                                 |
| 23                                                     | of which: significant investments in the common stock of financial entities                                                                                                                                                                                                              | 0                |                                                 |
| 24                                                     | of which: mortgage servicing rights                                                                                                                                                                                                                                                      | 0                |                                                 |
| 25                                                     | of which: deferred tax assets arising from temporary differences                                                                                                                                                                                                                         | 0                |                                                 |
| 26                                                     | National specific regulatory adjustments (26a+26b+26c+26d)                                                                                                                                                                                                                               | 1863.34          |                                                 |
| 26a                                                    | of which: Investments in the equity capital of unconsolidated insurance subsidiaries                                                                                                                                                                                                     | 1809.35          |                                                 |
| 26b                                                    | of which: Investments in the equity capital of unconsolidated non-financial subsidiaries                                                                                                                                                                                                 | 53.99            |                                                 |
| 26c                                                    | of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank                                                                                                                                                            | 0                |                                                 |
| 26d                                                    | of which: Unamortised pension funds expenditures                                                                                                                                                                                                                                         | 0                |                                                 |
| 27                                                     | Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions                                                                                                                                                              | 0                |                                                 |
| 28                                                     | <b>Total regulatory adjustments to Common equity Tier 1</b>                                                                                                                                                                                                                              | <b>7654.89</b>   |                                                 |
| 29                                                     | <b>Common Equity Tier 1 capital (CET1)</b>                                                                                                                                                                                                                                               | <b>433052.52</b> |                                                 |
| Additional Tier 1 capital: instruments                 |                                                                                                                                                                                                                                                                                          |                  |                                                 |
| 30                                                     | Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)                                                                                                                                                                              | 48708.00         |                                                 |
| 31                                                     | of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)                                                                                                                                                                        | 0                |                                                 |
| 32                                                     | of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)                                                                                                                                                                                   | 48708.00         |                                                 |
| 33                                                     | Directly issued capital instruments subject to phase out from Additional Tier 1                                                                                                                                                                                                          | 0                |                                                 |
| 34                                                     | Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)                                                                                                                                | 674.31           |                                                 |
| 35                                                     | of which: instruments issued by subsidiaries subject to phase out                                                                                                                                                                                                                        | 0                |                                                 |
| 36                                                     | <b>Additional Tier 1 capital before regulatory adjustments</b>                                                                                                                                                                                                                           | <b>49382.31</b>  |                                                 |
| Additional Tier 1 capital: regulatory adjustments      |                                                                                                                                                                                                                                                                                          |                  |                                                 |
| 37                                                     | Investments in own Additional Tier 1 instruments                                                                                                                                                                                                                                         | 0.00             |                                                 |
| 38                                                     | Reciprocal cross-holdings in Additional Tier 1 instruments                                                                                                                                                                                                                               | 1116.67          |                                                 |
| 39                                                     | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold) | 0                |                                                 |
| 40                                                     | Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)                                                                                                             | 0                |                                                 |
| 41                                                     | National specific regulatory adjustments (41a+41b)                                                                                                                                                                                                                                       | 0                |                                                 |
| 41a                                                    | of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries                                                                                                                                                                                          | 0                |                                                 |
| 41b                                                    | of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank                                                                                                                                                 | 0                |                                                 |

## Basel III common disclosure template to be used from March 31, 2017

|                                                               |                                                                                                                                                                                                                                                                                              | Ref No.<br>(with respect to<br>DF - 12: Step 2) |
|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| <b>Common Equity Tier 1 capital: instruments and reserves</b> |                                                                                                                                                                                                                                                                                              |                                                 |
| 42                                                            | Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions                                                                                                                                                                                           | 0                                               |
| 43                                                            | <b>Total regulatory adjustments to Additional Tier 1 capital</b>                                                                                                                                                                                                                             | <b>1116.67</b>                                  |
| 44                                                            | <b>Additional Tier 1 capital (AT1)</b>                                                                                                                                                                                                                                                       | <b>48265.64</b>                                 |
| 45                                                            | <b>Tier 1 capital (T1 = CET1 + AT1) (29 + 44)</b>                                                                                                                                                                                                                                            | <b>481318.16</b>                                |
| <b>Tier 2 capital: instruments and provisions</b>             |                                                                                                                                                                                                                                                                                              |                                                 |
| 46                                                            | Directly issued qualifying Tier 2 instruments plus related stock surplus                                                                                                                                                                                                                     | 49931.00                                        |
| 47                                                            | Directly issued capital instruments subject to phase out from Tier 2                                                                                                                                                                                                                         | 2332.93                                         |
| 48                                                            | Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)                                                                                                                             | 2401.96                                         |
| 49                                                            | of which: instruments issued by subsidiaries subject to phase out                                                                                                                                                                                                                            | -                                               |
| 50                                                            | Provisions                                                                                                                                                                                                                                                                                   | 28987.69                                        |
| 51                                                            | <b>Tier 2 capital before regulatory adjustments</b>                                                                                                                                                                                                                                          | <b>83653.58</b>                                 |
| <b>Tier 2 capital: regulatory adjustments</b>                 |                                                                                                                                                                                                                                                                                              |                                                 |
| 52                                                            | Investments in own Tier 2 instruments                                                                                                                                                                                                                                                        | 21.91                                           |
| 53                                                            | Reciprocal cross-holdings in Tier 2 instruments                                                                                                                                                                                                                                              | 195                                             |
| 54                                                            | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) | 0                                               |
| 55                                                            | Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)                                                                                                                    | 110.57                                          |
| 56                                                            | National specific regulatory adjustments (56a+56b)                                                                                                                                                                                                                                           | 0.00                                            |
| 56a                                                           | of which: Investments in the Tier 2 capital of unconsolidated insurance subsidiaries                                                                                                                                                                                                         | 0                                               |
| 56b                                                           | of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank                                                                                                                                                                | 0                                               |
| 57                                                            | <b>Total regulatory adjustments to Tier 2 capital</b>                                                                                                                                                                                                                                        | <b>327.48</b>                                   |
| 58                                                            | <b>Tier 2 capital (T2)</b>                                                                                                                                                                                                                                                                   | <b>83326.1</b>                                  |
| 59                                                            | <b>Total capital (TC = T1 + T2) (45 + 58)</b>                                                                                                                                                                                                                                                | <b>564644.26</b>                                |
| 60                                                            | <b>Total risk weighted assets (60a + 60b + 60c)</b>                                                                                                                                                                                                                                          | <b>3910863.67</b>                               |
| 60a                                                           | of which: total credit risk weighted assets                                                                                                                                                                                                                                                  | 3173664.69                                      |
| 60b                                                           | of which: total market risk weighted assets                                                                                                                                                                                                                                                  | 365726.52                                       |
| 60c                                                           | of which: total operational risk weighted assets                                                                                                                                                                                                                                             | 371472.46                                       |
| <b>Capital ratios and buffers</b>                             |                                                                                                                                                                                                                                                                                              |                                                 |
| 61                                                            | Common Equity Tier 1 (as a percentage of risk weighted assets)                                                                                                                                                                                                                               | 11.07                                           |
| 62                                                            | Tier 1 (as a percentage of risk weighted assets)                                                                                                                                                                                                                                             | 12.31                                           |
| 63                                                            | Total capital (as a percentage of risk weighted assets)                                                                                                                                                                                                                                      | 14.44                                           |
| 64                                                            | Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)                                                                       | 8.60                                            |
| 65                                                            | of which: capital conservation buffer requirement                                                                                                                                                                                                                                            | 2.50                                            |
| 66                                                            | of which: bank specific countercyclical buffer requirement                                                                                                                                                                                                                                   | 0.00                                            |
| 67                                                            | of which: D-SIB buffer requirement                                                                                                                                                                                                                                                           | 0.60                                            |
| 68                                                            | Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)                                                                                                                                                                                                     | 5.57                                            |

**Basel III common disclosure template to be used from March 31, 2017**

| <b>Common Equity Tier 1 capital: instruments and reserves</b>                                                            |                                                                                                                                              |          | <b>Ref No.<br/>(with respect to<br/>DF - 12: Step 2)</b> |
|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------------------------------------------|
| <b>National minima (if different from Basel III)</b>                                                                     |                                                                                                                                              |          |                                                          |
| 69                                                                                                                       | National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)                                                            | 5.50     |                                                          |
| 70                                                                                                                       | National Tier 1 minimum ratio (if different from Basel III minimum)                                                                          | 7.00     |                                                          |
| 71                                                                                                                       | National total capital minimum ratio (if different from Basel III minimum)                                                                   | 9.00     |                                                          |
| <b>Amounts below the thresholds for deduction (before risk weighting)</b>                                                |                                                                                                                                              |          |                                                          |
| 72                                                                                                                       | Non-significant investments in the capital of other financial entities                                                                       |          |                                                          |
| 73                                                                                                                       | Significant investments in the common stock of financial entities                                                                            | 5345.07  |                                                          |
| 74                                                                                                                       | Mortgage servicing rights (net of related tax liability)                                                                                     |          |                                                          |
| 75                                                                                                                       | Deferred tax assets arising from temporary differences (net of related tax liability)                                                        | 9558.18  |                                                          |
| <b>Applicable caps on the inclusion of provisions in Tier 2</b>                                                          |                                                                                                                                              |          |                                                          |
| 76                                                                                                                       | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)           | 28987.69 |                                                          |
| 77                                                                                                                       | Cap on inclusion of provisions in Tier 2 under standardised approach                                                                         | 39670.81 |                                                          |
| 78                                                                                                                       | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) | 0.00     |                                                          |
| 79                                                                                                                       | Cap for inclusion of provisions in Tier 2 under internal ratings-based approach                                                              | 0.00     |                                                          |
| <b>Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)</b> |                                                                                                                                              |          |                                                          |
| 80                                                                                                                       | Current cap on CET1 instruments subject to phase out arrangements                                                                            | 0        |                                                          |
| 81                                                                                                                       | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)                                                      | 0        |                                                          |
| 82                                                                                                                       | Current cap on AT1 instruments subject to phase out arrangements                                                                             | 0%       |                                                          |
| 83                                                                                                                       | Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)                                                       | 0        |                                                          |
| 84                                                                                                                       | Current cap on T2 instruments subject to phase out arrangements                                                                              | 0%       |                                                          |
| 85                                                                                                                       | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)                                                        | 0        |                                                          |

**Notes to the Template**

| <b>Row No. of the template</b> | <b>Particular</b>                                                                                                                                                                    | <b>(₹ in Crore)</b> |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 10                             | Deferred tax assets associated with accumulated losses                                                                                                                               | 10.05               |
|                                | Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability                                                                               | 9558.18             |
|                                | Total as indicated in row 10                                                                                                                                                         | 10.05               |
| 19                             | If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank | 0.00                |
|                                | of which: Increase in Common Equity Tier 1 capital                                                                                                                                   | 0.00                |
|                                | of which: Increase in Additional Tier 1 capital                                                                                                                                      | 0.00                |
|                                | of which: Increase in Tier 2 capital                                                                                                                                                 | 0.00                |
| 26b                            | If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:                                                    | 0.00                |
|                                | (i) Increase in Common Equity Tier 1 capital                                                                                                                                         | 0.00                |
|                                | (ii) Increase in risk weighted assets                                                                                                                                                | 0.00                |
| 50                             | Eligible Provisions included in Tier 2 capital                                                                                                                                       | 28987.69            |
|                                | Eligible Revaluation Reserves included in Tier 2 capital                                                                                                                             | 0.00                |
|                                | Total of row 50                                                                                                                                                                      | 28987.69            |

# B7: Revenue & Other Reserves is taken net of Integration & Development Fund ( ₹5 Crores), Development Rebate Fund (Rs 5 Crores), Development Funds Account (Rs 100.39 Crores)

## DF-12: COMPOSITION OF CAPITAL - RECONCILIATION REQUIREMENT

As on 31.03.2025

|                                                               |                                                              | (₹ in Crore)                                |                                                             |
|---------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------|
| COMPOSITION OF CAPITAL - RECONCILIATION REQUIREMENT<br>Step 1 |                                                              | Balance sheet as in<br>financial statements | Balance sheet under<br>regulatory scope of<br>consolidation |
|                                                               |                                                              | As on reporting date                        | As on reporting date                                        |
| <b>A</b>                                                      | <b>Capital &amp; Liabilities</b>                             |                                             |                                                             |
| i                                                             | Paid-up Capital                                              | 892.46                                      | 892.46                                                      |
|                                                               | Reserves & Surplus                                           | 4,86,144.30                                 | 4,67,235.36                                                 |
|                                                               | Minority Interest                                            | 18,025.84                                   | 9,050.20                                                    |
|                                                               | <b>Total Capital</b>                                         | <b>5,05,062.60</b>                          | <b>4,77,178.02</b>                                          |
| ii                                                            | <b>Deposits</b>                                              | <b>54,39,898.02</b>                         | <b>54,40,931.36</b>                                         |
|                                                               | of which: Deposits from banks                                | 18,629.33                                   | 18,629.33                                                   |
|                                                               | of which: Customer deposits                                  | 54,21,268.69                                | 54,22,302.03                                                |
|                                                               | of which: Other deposits (pl. specify)                       |                                             |                                                             |
| iii                                                           | <b>Borrowings</b>                                            | <b>6,10,857.24</b>                          | <b>6,13,172.25</b>                                          |
|                                                               | of which: From RBI                                           | 20,524.90                                   | 20,524.90                                                   |
|                                                               | of which: From banks                                         | 3,41,399.77                                 | 3,41,399.77                                                 |
|                                                               | of which: From other institutions & agencies                 | 75,889.71                                   | 75,889.71                                                   |
|                                                               | of which: Others (Bonds Other than Capital Instrument Bonds) | 69,958.00                                   | 71,728.00                                                   |
|                                                               | of which: Capital instruments                                | 1,03,084.86                                 | 1,03,629.87                                                 |
| iv                                                            | <b>Other liabilities &amp; provisions</b>                    | <b>7,58,367.48</b>                          | <b>3,01,003.65</b>                                          |
|                                                               | <b>Total</b>                                                 | <b>73,14,185.34</b>                         | <b>68,32,285.28</b>                                         |
| <b>B</b>                                                      | <b>Assets</b>                                                |                                             |                                                             |
| i                                                             | <b>Cash and balances with Reserve Bank of India</b>          | <b>2,27,485.16</b>                          | <b>2,27,387.84</b>                                          |
|                                                               | <b>Balance with banks and money at call and short notice</b> | <b>1,30,447.78</b>                          | <b>1,29,349.80</b>                                          |
| ii                                                            | <b>Investments</b>                                           | <b>22,05,601.11</b>                         | <b>17,35,524.82</b>                                         |
|                                                               | of which: Government securities                              | 15,40,982.42                                | 13,96,693.10                                                |
|                                                               | of which: Other approved securities                          | 28,742.96                                   | 51.05                                                       |
|                                                               | of which: Shares                                             | 2,00,718.69                                 | 24,693.54                                                   |
|                                                               | of which: Debentures & Bonds                                 | 3,18,865.87                                 | 2,25,501.08                                                 |
|                                                               | of which: Subsidiaries / Joint Ventures / Associates         | 17,872.50                                   | 11,275.84                                                   |
|                                                               | of which: Others (Commercial Papers, Mutual Funds etc.)      | 98,418.67                                   | 77,310.21                                                   |
| iii                                                           | <b>Loans and advances</b>                                    | <b>42,50,830.74</b>                         | <b>42,50,348.93</b>                                         |
|                                                               | of which: Loans and advances to banks                        | 2,09,713.93                                 | 2,09,713.93                                                 |
|                                                               | of which: Loans and advances to customers                    | 40,41,116.81                                | 40,40,635.00                                                |
| iv                                                            | <b>Fixed assets</b>                                          | <b>46,337.69</b>                            | <b>45,342.85</b>                                            |
| v                                                             | <b>Other assets</b>                                          | <b>4,52,063.18</b>                          | <b>4,42,928.67</b>                                          |
|                                                               | of which: Goodwill                                           | -                                           | -                                                           |
|                                                               | of which: Other intangibles (excluding MSRs)                 | -                                           | -                                                           |
|                                                               | of which: Deferred tax assets                                | 10,042.15                                   | 10,023.24                                                   |
| vi                                                            | <b>Goodwill on consolidation</b>                             | <b>1,419.68</b>                             | <b>1,402.37</b>                                             |
| vii                                                           | <b>Debit balance in Profit &amp; Loss account</b>            | -                                           | -                                                           |
|                                                               | <b>Total Assets</b>                                          | <b>73,14,185.34</b>                         | <b>68,32,285.28</b>                                         |

## COMPOSITION OF CAPITAL - RECONCILIATION REQUIREMENT Step 2

(₹ in Crore)

|                                                                  | Balance sheet as in<br>financial statements | Balance sheet under<br>regulatory scope of<br>consolidation | Reference<br>number |
|------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------|---------------------|
|                                                                  | As on reporting date                        | As on reporting date                                        |                     |
| <b>A Capital &amp; Liabilities</b>                               |                                             |                                                             |                     |
| <b>i Paid-up Capital</b>                                         | <b>892.46</b>                               | <b>892.46</b>                                               | <b>A</b>            |
| of which: Amount eligible for CET 1                              | 892.46                                      | 892.46                                                      | A1                  |
| of which: Amount eligible for AT1                                | -                                           | -                                                           | A2                  |
| Reserves & Surplus                                               | 4,86,144.30                                 | 4,67,235.36                                                 | B                   |
| of which: Statutory Reserve                                      | 1,42,621.17                                 | 1,42,621.17                                                 | B1                  |
| of which: Capital Reserves                                       | 18,992.75                                   | 18,842.71                                                   | B2                  |
| of which: Share Premium                                          | 79,115.60                                   | 79,115.60                                                   | B3                  |
| of which: Investment Reserve                                     | -                                           | -                                                           | B4                  |
| of which: Investment Fluctuation Reserve                         | 11,522.30                                   | 11,522.30                                                   |                     |
| of which: Foreign Currency Translation Reserve                   | 17,355.87                                   | 17,353.79                                                   | B5                  |
| of which: Revaluation Reserve on Fixed Assets                    | 27,355.62                                   | 27,355.62                                                   | B6                  |
| of which: Revenue and Other Reserves                             | 52,082.82                                   | 43,805.49                                                   | B7                  |
| of which: Reserves under Sec. 36(1)(viii) of Income Tax Act,1961 | 21,064.33                                   | 21,064.33                                                   | B8                  |
| of which: Available for Sale (AFS) Reserve                       | 7,586.98                                    | 7,586.88                                                    |                     |
| of which: Balance in Profit & Loss Account                       | 1,08,446.86                                 | 97,967.47                                                   | B9                  |
| Minority Interest                                                | 18,025.84                                   | 9,050.20                                                    |                     |
| <b>Total Capital</b>                                             | <b>5,05,062.60</b>                          | <b>4,77,178.02</b>                                          |                     |
| <b>ii Deposits</b>                                               | <b>54,39,898.02</b>                         | <b>54,40,931.36</b>                                         |                     |
| of which: Deposits from banks                                    | 18,629.33                                   | 18,629.33                                                   |                     |
| of which: Customer deposits                                      | 54,21,268.69                                | 54,22,302.03                                                |                     |
| of which: Other deposits (pl. specify)                           |                                             |                                                             |                     |
| <b>iii Borrowings</b>                                            | <b>6,10,857.24</b>                          | <b>6,13,172.25</b>                                          |                     |
| of which: From RBI                                               | 20,524.90                                   | 20,524.90                                                   |                     |
| of which: From banks                                             | 3,41,399.77                                 | 3,41,399.77                                                 |                     |
| of which: From other institutions & agencies                     | 75,889.71                                   | 75,889.71                                                   |                     |
| of which: Others (Bonds Other than Capital Instrument Bonds)     | 69,958.00                                   | 71,728.00                                                   |                     |
| of which: Capital instruments                                    | 1,03,084.86                                 | 1,03,629.87                                                 |                     |
| <b>iv Other liabilities &amp; provisions</b>                     | <b>7,58,367.48</b>                          | <b>3,01,003.65</b>                                          |                     |
| of which: DTLs related to goodwill                               |                                             |                                                             |                     |
| of which: DTLs related to intangible assets                      |                                             |                                                             |                     |
| <b>Total</b>                                                     | <b>73,14,185.34</b>                         | <b>68,32,285.28</b>                                         |                     |



(₹ in Crore)

|                                                         | Balance sheet as in<br>financial statements | Balance sheet under<br>regulatory scope of<br>consolidation | Reference<br>number |
|---------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------|---------------------|
|                                                         | As on reporting date                        | As on reporting date                                        |                     |
| <b>B Assets</b>                                         |                                             |                                                             |                     |
| <b>i Cash and balances with Reserve Bank of India</b>   | <b>2,27,485.16</b>                          | <b>2,27,387.84</b>                                          |                     |
| Balance with banks and money at call and short notice   | 1,30,447.78                                 | 1,29,349.80                                                 |                     |
| <b>ii Investments</b>                                   | <b>22,05,601.11</b>                         | <b>17,35,524.82</b>                                         |                     |
| of which: Government securities                         | 15,40,982.42                                | 13,96,693.10                                                |                     |
| of which: Other approved securities                     | 28,742.96                                   | 51.05                                                       |                     |
| of which: Shares                                        | 2,00,718.69                                 | 24,693.54                                                   |                     |
| of which: Debentures & Bonds                            | 3,18,865.87                                 | 2,25,501.08                                                 |                     |
| of which: Subsidiaries / Joint Ventures / Associates    | 17,872.50                                   | 11,275.84                                                   |                     |
| of which: Others (Commercial Papers, Mutual Funds etc.) | 98,418.67                                   | 77,310.21                                                   |                     |
| <b>iii Loans and advances</b>                           | <b>42,50,830.74</b>                         | <b>42,50,348.93</b>                                         |                     |
| of which: Loans and advances to banks                   | 2,09,713.93                                 | 2,09,713.93                                                 |                     |
| of which: Loans and advances to customers               | 40,41,116.81                                | 40,40,635.00                                                |                     |
| <b>iv Fixed assets</b>                                  | <b>46,337.69</b>                            | <b>45,342.85</b>                                            |                     |
| <b>v Other assets</b>                                   | <b>4,52,063.18</b>                          | <b>4,42,928.67</b>                                          |                     |
| of which: Goodwill                                      | -                                           | -                                                           |                     |
| of which: Other intangibles (excluding MSRs)            | -                                           | -                                                           |                     |
| of which: Deferred tax assets                           | 10,042.15                                   | 10,023.24                                                   | C                   |
| <b>vi Goodwill on consolidation</b>                     | <b>1,419.68</b>                             | <b>1,402.37</b>                                             | D                   |
| <b>vii Debit balance in Profit &amp; Loss account</b>   | <b>-</b>                                    | <b>-</b>                                                    |                     |
| <b>Total Assets</b>                                     | <b>73,14,185.34</b>                         | <b>68,32,285.28</b>                                         |                     |

### Common Equity Tier 1 capital (CET1): instruments and reserves Step 3

(₹ in Crore)

|                                                                                                                                  | Component of regulatory<br>capital reported by bank | Ref No. (With respect to<br>DF - 12: Step 2) |
|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|----------------------------------------------|
| 1 Directly issued qualifying common share (and equivalent for non - joint stock companies)<br>capital plus related stock surplus | 80008.06                                            | A1 + B3                                      |
| 2 Retained earnings                                                                                                              | 331777.66                                           | B1 + B2 + B7 + B8 +<br>B9+AFS (#)            |
| 3 Accumulated other comprehensive income (and other reserves)                                                                    | 25325.37                                            | B5 * 75% + B6 * 45%                          |
| 4 Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock<br>companies)                       | 0.00                                                |                                              |
| 5 Common share capital issued by subsidiaries and held by third parties (amount allowed<br>in group CET1)                        | 3596.32                                             |                                              |
| 6 Common Equity Tier 1 capital before regulatory adjustments                                                                     | 440707.41                                           |                                              |
| 7 Prudential valuation adjustments                                                                                               | 4115.27                                             |                                              |
| 8 Goodwill (net of related tax liability)                                                                                        | 1402.37                                             | D                                            |

# B7: Revenue & Other Reserves is taken net of Integration & Development Fund (₹5 Crores), Development Rebate Fund (₹5 Crores), Development Funds Account (₹100.39 Crores)

## DF 13: Main features of Regulatory Capital Instruments

## DF 14: Full Terms and Conditions of Regulatory Capital Instruments

These disclosures i.e. DF 13 and DF 14 have been uploaded on the Bank's website i.e.

[www.sbi.co.in/portal/web/corporate-governance/basel-iii-disclosures](http://www.sbi.co.in/portal/web/corporate-governance/basel-iii-disclosures)

## DF 15 - Disclosure Requirements for Remuneration

Not applicable, as Private sector and foreign banks operating in India are required to make this disclosure.

## DF-16: Equities - Disclosure for Banking Book Positions as on 31.03.2025

### Qualitative Disclosures

#### 1 The general qualitative disclosure with respect to equity risk, including:

|                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons;                                                                                                                                          | All equity investments in A&S Category are made in Associates, Subsidiaries, Joint Ventures and RRBs. These are strategic in nature.                                                                |
| Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices | Accounting and valuation policies for securities held under A&S category are detailed under RBI Master Direction on Classification, Valuation and Operation of investment dated September 12, 2023. |

### Quantitative Disclosures

| 1               | Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.                                                    | ₹895.11 Crores                                                         |      |                        |                 |                          |          |                |                                        |         |  |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------|------------------------|-----------------|--------------------------|----------|----------------|----------------------------------------|---------|--|
| 2               | The types and nature of investments, including the amount that can be classified as:                                                                                                                                                                                                       |                                                                        |      |                        |                 |                          |          |                |                                        |         |  |
|                 | <table><tr><th>Particulars</th><th>Type</th><th>Book Value (In Crores)</th></tr><tr><td>Publicly traded</td><td>Subsidiaries &amp; Associate</td><td>10307.27</td></tr><tr><td>Privately held</td><td>Associates, Subsidiaries, JVs &amp; Others</td><td>5306.61</td></tr></table>         | Particulars                                                            | Type | Book Value (In Crores) | Publicly traded | Subsidiaries & Associate | 10307.27 | Privately held | Associates, Subsidiaries, JVs & Others | 5306.61 |  |
| Particulars     | Type                                                                                                                                                                                                                                                                                       | Book Value (In Crores)                                                 |      |                        |                 |                          |          |                |                                        |         |  |
| Publicly traded | Subsidiaries & Associate                                                                                                                                                                                                                                                                   | 10307.27                                                               |      |                        |                 |                          |          |                |                                        |         |  |
| Privately held  | Associates, Subsidiaries, JVs & Others                                                                                                                                                                                                                                                     | 5306.61                                                                |      |                        |                 |                          |          |                |                                        |         |  |
| 3               | The cumulative realised gains (losses) arising from sales and liquidations in the reporting period                                                                                                                                                                                         | Profit from stake sale in Clearing Corporation of India ₹111.80 Crores |      |                        |                 |                          |          |                |                                        |         |  |
| 4               | Total unrealised gains (losses) <sup>13</sup>                                                                                                                                                                                                                                              | ₹163.30 Crores (Unrealised loss)                                       |      |                        |                 |                          |          |                |                                        |         |  |
| 5               | Total latent revaluation gains (losses) <sup>14</sup>                                                                                                                                                                                                                                      | -                                                                      |      |                        |                 |                          |          |                |                                        |         |  |
| 6               | Any amounts of the above included in Tier 1 and/or Tier 2 capital                                                                                                                                                                                                                          | ₹77.66 Crores                                                          |      |                        |                 |                          |          |                |                                        |         |  |
| 7               | Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition or grandfathering provisions regarding regulatory capital requirements |                                                                        |      |                        |                 |                          |          |                |                                        |         |  |

<sup>13</sup> Unrealised gains (losses) recognised through the profit and loss account.

<sup>14</sup> Unrealised gains (losses) not recognised either in the balance sheet or through the profit and loss account.

## DF-17: COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE

AS ON 31.03.2025

| ITEM                                                                                                                                                                                 | (₹ in millions) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 1 Total consolidated assets as per published financial statements                                                                                                                    | 7,31,41,853.41  |
| 2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | -48,19,000.65   |
| 3 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure               | 0.00            |
| 4 Adjustments for derivative financial instruments                                                                                                                                   | 6,81,986.53     |
| 5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)                                                                                          | 907.18          |
| 6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)                                                               | 64,35,219.79    |
| 7 Other adjustments                                                                                                                                                                  | -2,36,748.07    |
| 8 Leverage ratio exposure (State Bank Group)                                                                                                                                         | 7,52,04,218.19  |

## DF-18: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

As on 31.03.2025

| ITEM                                                                                                                                       | (₹ in millions)       |
|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| <b>On balance sheet exposures</b>                                                                                                          |                       |
| 1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)                                                        | 6,83,22,852.76        |
| 2 (Asset amounts deducted in determining Basel III Tier 1 capital)                                                                         | -236,748.07           |
| 3 <b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)</b>                                          | <b>6,80,86,104.69</b> |
| <b>Derivatives exposures</b>                                                                                                               |                       |
| 4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)                               | 2,95,093.11           |
| 5 Add-on amounts for PFE associated with all derivatives transactions                                                                      | 3,86,893.42           |
| 6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework | 0.00                  |
| 7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)                                        | 0.00                  |
| 8 (Exempted CCP leg of client-cleared trade exposures)                                                                                     | 0.00                  |
| 9 Adjusted effective notional amount of written credit derivatives                                                                         | 0.00                  |
| 10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)                                              | 0.00                  |
| 11 <b>Total derivative exposures (sum of lines 4 to 10)</b>                                                                                | <b>6,81,986.53</b>    |
| <b>Securities financing transaction exposure</b>                                                                                           |                       |
| 12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions                                     | 907.18                |
| 13 (Netted amounts of cash payables and cash receivables of gross SFT assets)                                                              | 0.00                  |
| 14 CCR exposure for SFT assets                                                                                                             | 0.00                  |
| 15 Agent transaction exposures                                                                                                             | 0.00                  |
| 16 <b>Total securities financing transaction exposures (sum of lines 12 to 15)</b>                                                         | <b>907.18</b>         |
| <b>Other off balance sheet exposures</b>                                                                                                   |                       |
| 17 Off-balance sheet exposure at gross notional amount                                                                                     | 1,57,41,262.72        |
| 18 (Adjustments for conversion to credit equivalent amounts)                                                                               | -93,06,042.93         |
| 19 <b>Off-balance sheet items (sum of lines 17 and 18)</b>                                                                                 | <b>64,35,219.79</b>   |
| <b>Capital and total exposures</b>                                                                                                         |                       |
| 20 <b>Tier 1 capital</b>                                                                                                                   | <b>48,13,181.60</b>   |
| 21 <b>Total exposures (sum of lines 3,11,16 and 19)</b>                                                                                    | <b>7,52,04,218.19</b> |
| <b>Leverage ratio</b>                                                                                                                      |                       |
| 22 <b>Basel III leverage ratio (%) (State Bank Group)</b>                                                                                  | <b>6.40%</b>          |

## DF- GR: Additional Disclosures on Group Risk

As on 31.03.2025

### Qualitative Disclosure

#### In respect of Group entities \*

#### [Overseas Banking entities and Non-Banking entities]

| General Description on                                           |                                                                                                                                                                                       |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Governance Practices                                   | All Group entities adhere to good Corporate Governance practices.                                                                                                                     |
| Disclosure Practices                                             | All Group entities adhere to / follow good disclosure practices.                                                                                                                      |
| Arm's Length Policy in respect of Intra Group Transactions       | All Intra-Group transactions within the State Bank Group have been effected on Arm's Length basis, both as to their commercial terms and as to matters such as provision of security. |
| Common marketing, branding and use of SBI's Symbol               | No Group entity has made use of SBI symbol in a manner that may indicate to public that common marketing, branding implies implicit support of SBI to the Group entity.               |
| Details of Financial Support, # if any                           | No Group entity has provided / received Financial Support from any other entity in the Group.                                                                                         |
| Adherence to all other covenants of Group Risk Management policy | All covenants of the Group Risk Management Policy have meticulously been complied with by the Group entities.                                                                         |

Intra-group transactions which may lead to the following have been broadly treated as 'Financial Support' #:

- inappropriate transfer of capital or income from one entity to the other in the Group;
- violation of the Arm's Length Policy within which the Group entities are expected to operate;
- adverse impact on the solvency, liquidity and profitability of the individual entities within the Group;
- evasion of capital or other regulatory requirements;
- operation of 'Cross Default Clauses' whereby a default by a related entity on an obligation (whether financial or otherwise) is deemed to trigger a default on itself.

\* Entities covered:

| <b>BANKING - OVERSEAS</b>        | <b>NON - BANKING</b>                             |
|----------------------------------|--------------------------------------------------|
| SBI Canada Bank                  | SBI Capital Markets Ltd.                         |
| State Bank of India (California) | SBI Cards & Payment Services Ltd.                |
| SBI (Mauritius) Ltd.             | SBI DFHI Ltd.                                    |
| PT Bank SBI Indonesia            | SBI Funds Management Ltd.                        |
| Commercial Indo Bank LLC, Moscow | SBI General Insurance Company Ltd.               |
| Nepal SBI Bank Ltd.              | SBI Factors Ltd.                                 |
| State Bank of India (UK) Ltd.    | SBI Life Insurance Co. Ltd.                      |
|                                  | SBI Pension Funds Pvt. Ltd.                      |
|                                  | SBI-SG Global Securities Services Pvt. Ltd.      |
|                                  | SBI Payment Services Pvt. Ltd.                   |
|                                  | SBI Venture Ltd                                  |
|                                  | State Bank Operations Support Services Pvt. Ltd. |
|                                  | SBI CDMDf Trustee Private Limited                |

# State Bank of India

## Standalone Financials

Balance Sheet as at 31<sup>st</sup> March 2024

(000s omitted)

|                                                        | Schedule No. | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
|--------------------------------------------------------|--------------|-----------------------------------------|------------------------------------------|
| <b>CAPITAL AND LIABILITIES</b>                         |              |                                         |                                          |
| Capital                                                | 1            | 892,46,12                               | 892,46,12                                |
| Reserves & Surplus                                     | 2            | 376354,07,25                            | 326715,98,77                             |
| Deposits                                               | 3            | 4916076,76,93                           | 4423777,77,63                            |
| Borrowings                                             | 4            | 597560,90,78                            | 493135,15,62                             |
| Other Liabilities and Provisions                       | 5            | 288809,73,42                            | 272457,14,51                             |
| <b>TOTAL</b>                                           |              | <b>6179693,94,50</b>                    | <b>5516978,52,65</b>                     |
| <b>ASSETS</b>                                          |              |                                         |                                          |
| Cash and Balances with Reserve Bank of India           | 6            | 225141,69,61                            | 247087,57,52                             |
| Balances with Banks and money at call and short notice | 7            | 85660,29,19                             | 60812,04,28                              |
| Investments                                            | 8            | 1671339,65,61                           | 1570366,22,57                            |
| Advances                                               | 9            | 3703970,85,40                           | 3199269,29,68                            |
| Fixed Assets                                           | 10           | 42617,25,25                             | 42381,80,31                              |
| Other Assets                                           | 11           | 450964,19,44                            | 397061,58,29                             |
| <b>TOTAL</b>                                           |              | <b>6179693,94,50</b>                    | <b>5516978,52,65</b>                     |
| Contingent Liabilities                                 | 12           | 2389320,82,36                           | 1826574,12,43                            |
| Bills for Collection                                   | -            | 67795,94,05                             | 64531,07,67                              |
| Significant Accounting Policies                        | 17           |                                         |                                          |
| Notes to Accounts                                      | 18           |                                         |                                          |

Schedules referred to above form an integral part of the Balance Sheet.

**Shri Vinay M. Tonse**  
Managing Director  
(Retail Business & Operations)

**Shri Alok Kumar Choudhary**  
Managing Director  
(Risk, Compliance & SARG)

**Shri Ashwini Kumar Tewari**  
Managing Director  
(Corporate Banking & Subsidiaries)

**Shri Challa Sreenivasulu Setty**  
Managing Director  
(International Banking, Global  
Markets & Technology)

### Directors:

Shri Ketan S. Vikamsey  
Shri Mrugank M. Paranjape  
Shri Dharmendra Singh Shekhawat  
Shri Prafulla P. Chhajed  
Smt. Swati Gupta  
Shri Ajay Kumar

**Shri Dinesh Kumar Khara**  
Chairman

**Place: Mumbai**  
**Date: 9<sup>th</sup> May 2024**

In terms of our report of even date

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

**CA Chirag Bakshi**  
Partner: M. No. 047164

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

**CA Sanjeev Aditya M**  
Partner: M. No. 229694

**For Gokhale & Sathe**  
Chartered Accountants  
Firm Regn. No. 103264W

**CA Rahul Joglekar**  
Partner: M. No. 129389

**For Vinod Kumar & Associates**  
Chartered Accountants  
Firm Regn. No. 002304N

**CA Vinod Jain**  
Partner: M. No. 081263

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

**CA Amit Biswas**  
Partner: M. No. 052296

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

**CA Anand Sharma**  
Partner: M. No.129033

**For M K Aggarwal & Co.**  
Chartered Accountants  
Firm Regn. No. 001411N

**CA Atul Aggarwal**  
Partner: M. No.099374

**For R G N Price & Co.**  
Chartered Accountants  
Firm Regn. No. 002785S

**CA P. M. Veeramani**  
Partner: M. No. 023933

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

**CA Sundeep Singhi**  
Partner: M. No. 063785

**For Ravi Rajan & Co. LLP**  
Chartered Accountants  
Firm Regn. No. 009073N / N500320

**CA Sumit Kumar**  
Partner: M. No.512555

**For J L N U S & Co.**  
Chartered Accountants  
Firm Regn. No. 101543W

**CA Shalabh Kumar Daga**  
Partner: M. No.401428

**For Rama K Gupta & Co.**  
Chartered Accountants  
Firm Regn. No. 005005C

**CA Ramakant Gupta**  
Partner: M. No.073853

Place: Mumbai  
Date: 9<sup>th</sup> May 2024

# Schedules

forming part of the Balance Sheet as at 31<sup>st</sup> March 2024

## SCHEDULE 1 - CAPITAL

|                                                                                                                                                                                                    | (000s omitted)                          |                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                                                                                                                                                                    | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
| <b>Authorised Capital:</b>                                                                                                                                                                         |                                         |                                          |
| 5000,00,00,000 Shares of ₹1 each<br>(Previous Year 5000,00,00,000 Shares of ₹1 each)                                                                                                               | 5000,00,00                              | 5000,00,00                               |
| <b>Issued Capital:</b>                                                                                                                                                                             |                                         |                                          |
| 892,54,05,164 Equity Shares of ₹1 each<br>(Previous Year 892,54,05,164 Equity Shares of ₹1 each)                                                                                                   | 892,54,05                               | 892,54,05                                |
| <b>Subscribed and Paid up Capital:</b>                                                                                                                                                             |                                         |                                          |
| 892,46,11,934 Equity Shares of ₹1 each<br>(Previous Year 892,46,11,934 Equity Shares of ₹1 each)                                                                                                   | 892,46,12                               | 892,46,12                                |
| [The above includes 9,58,88,670 Equity Shares of ₹1 each<br>(Previous Year 8,91,60,950 Equity Shares of ₹1 each) represented by 95,88,867<br>(Previous Year 89,16,095) Global Depository Receipts] |                                         |                                          |
| <b>TOTAL</b>                                                                                                                                                                                       | <b>892,46,12</b>                        | <b>892,46,12</b>                         |

## SCHEDULE 2 - RESERVES & SURPLUS

|                                           | (000s omitted)                          |                                          |
|-------------------------------------------|-----------------------------------------|------------------------------------------|
|                                           | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
| <b>I. Statutory Reserves</b>              |                                         |                                          |
| Opening Balance                           | 100637,75,69                            | 85568,02,08                              |
| Additions during the year                 | 18322,98,60                             | 15069,73,61                              |
| Deductions during the year                | -                                       | -                                        |
|                                           | <b>118960,74,29</b>                     | <b>100637,75,69</b>                      |
| <b>II. Capital Reserves</b>               |                                         |                                          |
| Opening Balance                           | 15992,79,07                             | 15759,98,23                              |
| Additions during the year                 | 326,21,04                               | 232,80,84                                |
| Deductions during the year                | -                                       | -                                        |
|                                           | <b>16319,00,11</b>                      | <b>15992,79,07</b>                       |
| <b>III. Share Premium</b>                 |                                         |                                          |
| Opening Balance                           | 79115,47,68                             | 79115,47,05                              |
| Additions during the year                 | -                                       | 63                                       |
| Deductions during the year                | -                                       | -                                        |
|                                           | <b>79115,47,68</b>                      | <b>79115,47,68</b>                       |
| <b>IV. Investment Fluctuation Reserve</b> |                                         |                                          |
| Opening Balance                           | 12271,38,17                             | 7695,94,74                               |
| Additions during the year                 | -                                       | 4575,43,43                               |
| Deductions during the year                | 749,08,05                               | -                                        |
|                                           | <b>11522,30,12</b>                      | <b>12271,38,17</b>                       |



(000s omitted)

|                                                 | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
|-------------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>V. Foreign Currency Translation Reserve</b>  |                                         |                                          |
| Opening Balance                                 | 12755,17,91                             | 9960,78,78                               |
| Additions during the year                       | 788,76,47                               | 2794,39,13                               |
| Deductions during the year                      | -                                       | -                                        |
|                                                 | <b>13543,94,38</b>                      | <b>12755,17,91</b>                       |
| <b>VI. Revenue and Other Reserves*</b>          |                                         |                                          |
| Opening Balance                                 | 54088,42,53                             | 51836,11,81                              |
| Additions during the year                       | 5120,62,38                              | 2252,30,72                               |
| Deductions during the year                      | -                                       | -                                        |
|                                                 | <b>59209,04,91</b>                      | <b>54088,42,53</b>                       |
| <b>VII. Revaluation Reserve</b>                 |                                         |                                          |
| Opening Balance                                 | 27756,25,90                             | 23377,86,71                              |
| Additions during the year                       | -                                       | 4578,34,93                               |
| Deductions during the year                      | 200,61,20                               | 199,95,74                                |
|                                                 | <b>27555,64,70</b>                      | <b>27756,25,90</b>                       |
| <b>VIII. Balance of Profit and Loss Account</b> | <b>50127,91,06</b>                      | <b>24098,71,82</b>                       |
| <b>TOTAL</b>                                    | <b>376354,07,25</b>                     | <b>326715,98,77</b>                      |

\* Note: Revenue and Other Reserves include:

- (i) ₹5,00,00 thousand (Previous Year ₹5,00,00 thousand) of Integration and Development Fund (maintained under Section 36 of the State Bank of India Act, 1955)
- (ii) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 ₹19527,05,76 thousand (Previous Year ₹17749,30,76 thousand)
- (iii) Investment Reserves Current Year ₹3142,84,35 (Previous Year Nil)

### SCHEDULE 3 - DEPOSITS

(000s omitted)

|                                             | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
|---------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>A. I. Demand Deposits</b>                |                                         |                                          |
| (i) From Banks                              | 5960,27,24                              | 3449,99,90                               |
| (ii) From Others                            | 293617,61,43                            | 295593,04,38                             |
| <b>II. Savings Bank Deposits</b>            | 1661843,63,48                           | 1588405,52,42                            |
| <b>III. Term Deposits</b>                   |                                         |                                          |
| (i) From Banks                              | 5197,59,09                              | 6994,90,95                               |
| (ii) From Others                            | 2949457,65,69                           | 2529334,29,98                            |
| <b>TOTAL</b>                                | <b>4916076,76,93</b>                    | <b>4423777,77,63</b>                     |
| <b>B. (i) Deposits of Branches in India</b> | 4724335,65,10                           | 4253570,79,60                            |
| (ii) Deposits of Branches outside India     | 191741,11,83                            | 170206,98,03                             |
| <b>TOTAL</b>                                | <b>4916076,76,93</b>                    | <b>4423777,77,63</b>                     |

# Schedules

forming part of the Balance Sheet as at 31<sup>st</sup> March 2024

## SCHEDULE 4 - BORROWINGS

|                                                                           | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
|---------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| (000s omitted)                                                            |                                         |                                          |
| <b>I. Borrowings in India</b>                                             |                                         |                                          |
| (i) Reserve Bank of India                                                 | 97399,00,00                             | 24956,00,00                              |
| (ii) Other Banks                                                          | -                                       | 150,00,00                                |
| (iii) Other Institutions and Agencies                                     | 57817,41,02                             | 88372,10,40                              |
| (iv) Bonds & Debentures (Other than Capital Instruments)                  | 39718,00,00                             | 19718,00,00                              |
| (v) Capital Instruments :                                                 |                                         |                                          |
| a. Innovative Perpetual Debt Instruments (IPDI)                           | 50626,40,00                             | 49842,70,00                              |
| b. Subordinated Debt                                                      | 43174,00,00                             | 39289,90,00                              |
|                                                                           | <b>93800,40,00</b>                      | <b>89132,60,00</b>                       |
| <b>TOTAL</b>                                                              | <b>288734,81,02</b>                     | <b>222328,70,40</b>                      |
| <b>II. Borrowings outside India</b>                                       |                                         |                                          |
| (i) Borrowings and Refinance outside India                                | 308826,09,76                            | 270806,45,22                             |
| (ii) Capital Instruments:<br>Innovative Perpetual Debt Instruments (IPDI) | -                                       | -                                        |
| <b>TOTAL</b>                                                              | <b>308826,09,76</b>                     | <b>270806,45,22</b>                      |
| <b>GRAND TOTAL</b>                                                        | <b>597560,90,78</b>                     | <b>493135,15,62</b>                      |
| Secured Borrowings included in I & II above                               | 181331,85,62                            | 129118,98,56                             |

## SCHEDULE 5 - OTHER LIABILITIES & PROVISIONS

|                                    | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
|------------------------------------|-----------------------------------------|------------------------------------------|
| (000s omitted)                     |                                         |                                          |
| I. Bills payable                   | 15663,55,27                             | 27360,44,54                              |
| II. Inter-office adjustments (Net) | 1126,59,56                              | 4346,60,96                               |
| III. Interest accrued              | 32315,57,67                             | 27028,92,65                              |
| IV. Deferred Tax Liabilities (Net) | 7,60,03                                 | 72                                       |
| V. Others (including provisions)*  | 239696,40,89                            | 213721,15,64                             |
| <b>TOTAL</b>                       | <b>288809,73,42</b>                     | <b>272457,14,51</b>                      |

\* Includes prudential provision for Standard Assets ₹24112,56,90 thousand (Previous Year ₹25673,65,46 thousand)

## SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

|                                                             | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
|-------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| (000s omitted)                                              |                                         |                                          |
| I. Cash in hand (including foreign currency notes and gold) | 18401,50,96                             | 21409,48,82                              |
| II. Balances with Reserve Bank of India                     |                                         |                                          |
| (i) In Current Account                                      | 206740,18,65                            | 225678,08,70                             |
| (ii) In Other Accounts                                      | -                                       | -                                        |
| <b>TOTAL</b>                                                | <b>225141,69,61</b>                     | <b>247087,57,52</b>                      |

## SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(000s omitted)

|                                      | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
|--------------------------------------|-----------------------------------------|------------------------------------------|
| <b>I. In India</b>                   |                                         |                                          |
| (i) Balances with banks              |                                         |                                          |
| (a) In Current Accounts              | -                                       | -                                        |
| (b) In Other Deposit Accounts        | -                                       | -                                        |
| (ii) Money at call and short notice  |                                         |                                          |
| (a) With banks                       | 2550,00,00                              | 7770,44,34                               |
| (b) With Other Institutions          | 27266,70,25                             | -                                        |
| <b>TOTAL</b>                         | <b>29816,70,25</b>                      | <b>7770,44,34</b>                        |
| <b>II. Outside India</b>             |                                         |                                          |
| (i) In Current Accounts              | 44600,92,07                             | 43379,39,74                              |
| (ii) In Other Deposit Accounts       | 2196,18,92                              | 1122,11,64                               |
| (iii) Money at call and short notice | 9046,47,95                              | 8540,08,56                               |
| <b>TOTAL</b>                         | <b>55843,58,94</b>                      | <b>53041,59,94</b>                       |
| <b>GRAND TOTAL (I and II)</b>        | <b>85660,29,19</b>                      | <b>60812,04,28</b>                       |

## SCHEDULE 8 - INVESTMENTS

(000s omitted)

|                                                               | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
|---------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>I. Investments in India in:</b>                            |                                         |                                          |
| (i) Government Securities                                     | 1365740,19,30                           | 1238328,92,16                            |
| (ii) Other Approved Securities                                | -                                       | -                                        |
| (iii) Shares                                                  | 7199,25,77                              | 14087,85,39                              |
| (iv) Debentures and Bonds                                     | 177647,08,12                            | 213392,76,78                             |
| (v) Subsidiaries and/or Joint Ventures (including Associates) | 15559,74,88                             | 14050,23,13                              |
| (vi) Others (Units of Mutual Funds etc.)                      | 38937,32,34                             | 29076,31,69                              |
| <b>TOTAL</b>                                                  | <b>1605083,60,41</b>                    | <b>1508936,09,15</b>                     |
| <b>II. Investments outside India in:</b>                      |                                         |                                          |
| (i) Government Securities (including local authorities)       | 31679,82,31                             | 30059,19,62                              |
| (ii) Subsidiaries and/or Joint Ventures abroad                | 5680,21,97                              | 5680,21,97                               |
| (iii) Other Investments (Shares, Debentures, etc.)            | 28896,00,92                             | 25690,71,83                              |
| <b>TOTAL</b>                                                  | <b>66256,05,20</b>                      | <b>61430,13,42</b>                       |
| <b>GRAND TOTAL (I and II)</b>                                 | <b>1671339,65,61</b>                    | <b>1570366,22,57</b>                     |
| <b>III. Investments in India:</b>                             |                                         |                                          |
| (i) Gross Value of Investments                                | 1614852,06,26                           | 1524189,29,58                            |
| (ii) Less: Aggregate of Provisions / Depreciation             | 9768,45,85                              | 15253,20,43                              |
| (iii) Net Investments (vide I above)                          | <b>1605083,60,41</b>                    | <b>1508936,09,15</b>                     |
| <b>IV. Investments outside India:</b>                         |                                         |                                          |
| (i) Gross Value of Investments                                | 67362,37,80                             | 63208,84,72                              |
| (ii) Less: Aggregate of Provisions / Depreciation             | 1106,32,60                              | 1778,71,30                               |
| (iii) Net Investments (vide II above)                         | <b>66256,05,20</b>                      | <b>61430,13,42</b>                       |
| <b>GRAND TOTAL (III and IV)</b>                               | <b>1671339,65,61</b>                    | <b>1570366,22,57</b>                     |

# Schedules

forming part of the Balance Sheet as at 31<sup>st</sup> March 2024

## SCHEDULE 9 - ADVANCES

| (000s omitted)                                                                  |                                         |                                          |
|---------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                                                 | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
| <b>A.</b> (i) Bills purchased and discounted                                    | 217376,95,24                            | 181809,89,57                             |
| (ii) Cash credits, overdrafts and loans repayable on demand                     | 1001454,43,22                           | 836849,24,83                             |
| (iii) Term Loans                                                                | 2485139,46,94                           | 2180610,15,28                            |
| <b>TOTAL</b>                                                                    | <b>3703970,85,40</b>                    | <b>3199269,29,68</b>                     |
| <b>B.</b> (i) Secured by tangible assets (includes advances against Book Debts) | 2391775,49,19                           | 2135804,65,54                            |
| (ii) Covered by Bank / Government Guarantees                                    | 193146,54,72                            | 133100,11,33                             |
| (iii) Unsecured                                                                 | 1119048,81,49                           | 930364,52,81                             |
| <b>TOTAL</b>                                                                    | <b>3703970,85,40</b>                    | <b>3199269,29,68</b>                     |
| <b>C. (I) Advances in India</b>                                                 |                                         |                                          |
| (i) Priority Sector                                                             | 804184,20,86                            | 697644,43,51                             |
| (ii) Public Sector                                                              | 252558,00,04                            | 258891,40,67                             |
| (iii) Banks                                                                     | 276,89,81                               | 447,11,05                                |
| (iv) Others                                                                     | 2108978,83,43                           | 1751489,67,48                            |
| <b>TOTAL</b>                                                                    | <b>3165997,94,14</b>                    | <b>2708472,62,71</b>                     |
| <b>(II) Advances outside India</b>                                              |                                         |                                          |
| (i) Due from banks                                                              | 178879,83,35                            | 151113,59,09                             |
| (ii) Due from others                                                            |                                         |                                          |
| (a) Bills purchased and discounted                                              | 42424,38,12                             | 42518,59,79                              |
| (b) Syndicated loans                                                            | 215890,02,77                            | 210775,60,39                             |
| (c) Others                                                                      | 100778,67,02                            | 86388,87,70                              |
| <b>TOTAL</b>                                                                    | <b>537972,91,26</b>                     | <b>490796,66,97</b>                      |
| <b>GRAND TOTAL [C (I) and C (II)]</b>                                           | <b>3703970,85,40</b>                    | <b>3199269,29,68</b>                     |

## SCHEDULE 10 - FIXED ASSETS

| (000s omitted)                                                      |                                         |                                          |
|---------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                                     | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
| <b>I. Premises (including Revalued Premises)</b>                    |                                         |                                          |
| At cost/revalued as at 31 <sup>st</sup> March of the preceding year | 35053,43,85                             | 30453,14,11                              |
| Additions:                                                          |                                         |                                          |
| - during the year                                                   | 63,52,52                                | 28,76,48                                 |
| - for Revaluation                                                   | -                                       | 6407,26,03                               |
| Deductions:                                                         |                                         |                                          |
| - during the year                                                   | 111                                     | 6,81,67                                  |
| - for Revaluation                                                   | 58,18                                   | 1828,91,10                               |
| Depreciation to date:                                               |                                         |                                          |
| - on cost                                                           | 1317,45,31                              | 1190,11,99                               |
| - on Revaluation                                                    | 1428,89,56                              | 1228,86,53                               |
|                                                                     | <b>32370,02,21</b>                      | <b>32634,45,33</b>                       |

(000s omitted)

|                                                                  | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
|------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>II. Other Fixed Assets (including furniture and fixtures)</b> |                                         |                                          |
| At cost as at 31 <sup>st</sup> March of the preceding year       | 40859,75,07                             | 38171,83,29                              |
| Additions during the year                                        | 3375,97,87                              | 3354,44,78                               |
| Deductions during the year                                       | 661,12,88                               | 666,53,00                                |
| Depreciation to date                                             | 33818,25,36                             | 31393,47,30                              |
|                                                                  | <b>9756,34,70</b>                       | <b>9466,27,77</b>                        |
| <b>III. Assets under Construction (Including Premises)</b>       | <b>490,88,34</b>                        | <b>281,07,21</b>                         |
| <b>TOTAL (I, II, and III)</b>                                    | <b>42617,25,25</b>                      | <b>42381,80,31</b>                       |

## SCHEDULE 11 - OTHER ASSETS

(000s omitted)

|                                                           | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
|-----------------------------------------------------------|-----------------------------------------|------------------------------------------|
| I. Inter Office Adjustments (Net)                         | -                                       | -                                        |
| II. Interest accrued                                      | 45724,50,59                             | 39191,05,69                              |
| III. Tax paid in advance / tax deducted at source         | 23640,47,23                             | 16517,16,78                              |
| IV. Deferred Tax Assets (Net)                             | 11431,46,52                             | 10534,22,09                              |
| V. Stationery and stamps                                  | 28,92,68                                | 22,56,00                                 |
| VI. Non-banking assets acquired in satisfaction of claims | 56,10                                   | 56,10                                    |
| VII. Others *                                             | 370138,26,32                            | 330796,01,63                             |
| <b>TOTAL</b>                                              | <b>450964,19,44</b>                     | <b>397061,58,29</b>                      |

\* Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹270995,47,35 thousand (Previous Year ₹218591,19,47 thousand)

## SCHEDULE 12 - CONTINGENT LIABILITIES

(000s omitted)

|                                                                     | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
|---------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| I. Claims against the bank not acknowledged as debts                | 117868,87,40                            | 90421,31,87                              |
| II. Liability for partly paid investments / Venture Funds           | 2174,05,04                              | 1689,05,00                               |
| III. Liability on account of outstanding forward exchange contracts | 1349504,18,92                           | 1039221,77,94                            |
| IV. Guarantees given on behalf of constituents                      |                                         |                                          |
| (a) In India                                                        | 190056,09,60                            | 165143,90,45                             |
| (b) Outside India                                                   | 94237,18,86                             | 104910,29,06                             |
| V. Acceptances, endorsements and other obligations                  | 158349,94,55                            | 151795,92,04                             |
| VI. Other items for which the bank is contingently liable *         | 477130,47,99                            | 273391,86,07                             |
| <b>TOTAL</b>                                                        | <b>2389320,82,36</b>                    | <b>1826574,12,43</b>                     |

\* Includes Derivatives ₹457300,22,95 thousand (Previous Year ₹261587,05,11 thousand)

# State Bank of India

Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

| (000s omitted)                                                 |              |                                                 |                                                  |
|----------------------------------------------------------------|--------------|-------------------------------------------------|--------------------------------------------------|
|                                                                | Schedule No. | Year ended<br>31.03.2024<br>(Current Year)<br>₹ | Year ended<br>31.03.2023<br>(Previous Year)<br>₹ |
| <b>I. INCOME</b>                                               |              |                                                 |                                                  |
| Interest earned                                                | 13           | 415130,65,55                                    | 332103,06,02                                     |
| Other Income                                                   | 14           | 51682,16,37                                     | 36615,59,76                                      |
| <b>TOTAL</b>                                                   |              | <b>466812,81,92</b>                             | <b>368718,65,78</b>                              |
| <b>II. EXPENDITURE</b>                                         |              |                                                 |                                                  |
| Interest expended                                              | 15           | 255254,82,88                                    | 187262,55,56                                     |
| Operating expenses                                             | 16           | 124860,81,35                                    | 97743,13,61                                      |
| Provisions and contingencies                                   |              | 25620,55,67                                     | 33480,51,25                                      |
| <b>TOTAL</b>                                                   |              | <b>405736,19,90</b>                             | <b>318486,20,42</b>                              |
| <b>III. PROFIT</b>                                             |              |                                                 |                                                  |
| Net Profit for the year                                        |              | 61076,62,02                                     | 50232,45,36                                      |
| Add: Profit brought forward                                    |              | 24098,71,82                                     | 5881,40,49                                       |
| <b>TOTAL</b>                                                   |              | <b>85175,33,84</b>                              | <b>56113,85,85</b>                               |
| <b>IV. APPROPRIATIONS</b>                                      |              |                                                 |                                                  |
| Transfer to Statutory Reserve                                  |              | 18322,98,60                                     | 15069,73,61                                      |
| Transfer to Capital Reserve                                    |              | 326,21,04                                       | 232,80,84                                        |
| Transfer to/(from) Investment Fluctuation Reserve              |              | (749,08,05)                                     | 4575,43,43                                       |
| Transfer to Revenue and other Reserves                         |              | 4920,59,36                                      | 2052,35,00                                       |
| Dividend for the current year                                  |              | 12226,71,83                                     | 10084,81,15                                      |
| Balance carried over to Balance Sheet                          |              | 50127,91,06                                     | 24098,71,82                                      |
| <b>TOTAL</b>                                                   |              | <b>85175,33,84</b>                              | <b>56113,85,85</b>                               |
| <b>V. EARNINGS PER EQUITY SHARE (Face value ₹ 1 per share)</b> |              |                                                 |                                                  |
| Basic (in ₹)                                                   |              | 68.44                                           | 56.29                                            |
| Diluted (in ₹)                                                 |              | 68.44                                           | 56.29                                            |
| Significant Accounting Policies                                | 17           |                                                 |                                                  |
| Notes to Accounts                                              | 18           |                                                 |                                                  |

Schedules referred to above form an integral part of the Profit & Loss Account.

**Shri Vinay M. Tonse**  
Managing Director  
(Retail Business & Operations)

**Shri Alok Kumar Choudhary**  
Managing Director  
(Risk, Compliance & SARG)

**Shri Ashwini Kumar Tewari**  
Managing Director  
(Corporate Banking & Subsidiaries)

**Shri Challa Sreenivasulu Setty**  
Managing Director  
(International Banking, Global  
Markets & Technology)

## Directors:

Shri Ketan S. Vikamsey  
Shri Mrugank M. Paranjape  
Shri Dharmendra Singh Shekhawat  
Shri Prafulla P. Chhajed  
Smt. Swati Gupta  
Shri Ajay Kumar

**Shri Dinesh Kumar Khara**  
Chairman

**Place: Mumbai**  
**Date: 9<sup>th</sup> May 2024**

In terms of our report of even date

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

**CA Chirag Bakshi**  
Partner: M. No. 047164

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

**CA Sanjeev Aditya M**  
Partner: M. No. 229694

**For Gokhale & Sathe**  
Chartered Accountants  
Firm Regn. No.103264W

**CA Rahul Joglekar**  
Partner: M. No. 129389

**For Vinod Kumar & Associates**  
Chartered Accountants  
Firm Regn. No. 002304N

**CA Vinod Jain**  
Partner: M. No. 081263

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

**CA Amit Biswas**  
Partner: M. No. 052296

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

**CA Anand Sharma**  
Partner: M. No.129033

**For M K Aggarwal & Co.**  
Chartered Accountants  
Firm Regn. No.001411N

**CA Atul Aggarwal**  
Partner: M. No.099374

**For R G N Price & Co.**  
Chartered Accountants  
Firm Regn. No.002785S

**CA P. M. Veeramani**  
Partner: M. No. 023933

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

**CA Sundeep Singhi**  
Partner: M. No. 063785

**For Ravi Rajan & Co. LLP**  
Chartered Accountants  
Firm Regn. No. 009073N / N500320

**CA Sumit Kumar**  
Partner: M. No.512555

**For J L N U S & Co.**  
Chartered Accountants  
Firm Regn. No.101543W

**CA Shalabh Kumar Daga**  
Partner: M. No.401428

**For Rama K Gupta & Co.**  
Chartered Accountants  
Firm Regn. No.005005C

**CA Ramakant Gupta**  
Partner: M. No.073853

Place: Mumbai  
Date: 9<sup>th</sup> May 2024

# Schedules

forming part of the Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## SCHEDULE 13 - INTEREST EARNED

(000s omitted)

|                                                                                 | Year ended<br>31.03.2024<br>(Current Year)<br>₹ | Year ended<br>31.03.2023<br>(Previous Year)<br>₹ |
|---------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Interest / discount on advances/ bills                                       | 288038,24,04                                    | 221400,64,68                                     |
| II. Income on Investments                                                       | 108640,50,37                                    | 95928,26,71                                      |
| III. Interest on balances with Reserve Bank of India and other inter-bank funds | 5090,19,24                                      | 3491,01,12                                       |
| IV. Others                                                                      | 13361,71,90                                     | 11283,13,51                                      |
| <b>TOTAL</b>                                                                    | <b>415130,65,55</b>                             | <b>332103,06,02</b>                              |

## SCHEDULE 14 - OTHER INCOME

(000s omitted)

|                                                                                                                  | Year ended<br>31.03.2024<br>(Current Year)<br>₹ | Year ended<br>31.03.2023<br>(Previous Year)<br>₹ |
|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Commission, exchange and brokerage                                                                            | 28126,11,94                                     | 26244,65,58                                      |
| II. Profit/ (Loss) on sale of investments (Net)                                                                  | 6896,60,13                                      | 3290,00,26                                       |
| III. Profit/ (Loss) on revaluation of investments (Net)                                                          | 4939,17,35                                      | (4644,43,56)                                     |
| IV. Profit/ (Loss) on sale of land, buildings and other assets (Net)                                             | (33,20,20)                                      | (29,78,85)                                       |
| V. Profit/ (Loss) on exchange/ derivative transactions (Net)                                                     | 1715,15,09                                      | 2928,33,01                                       |
| VI. Income earned by way of dividends etc., from subsidiaries/ companies and/ or joint ventures abroad/ in India | 1961,61,63                                      | 855,10,80                                        |
| VII. Miscellaneous Income *                                                                                      | 8076,70,43                                      | 7971,72,52                                       |
| <b>TOTAL</b>                                                                                                     | <b>51682,16,37</b>                              | <b>36615,59,76</b>                               |

\* Miscellaneous Income includes Recoveries made in written-off accounts ₹6933,56,32 thousand (Previous year ₹7097,30,65 thousand).

## SCHEDULE 15 - INTEREST EXPENDED

(000s omitted)

|                                                              | Year ended<br>31.03.2024<br>(Current Year)<br>₹ | Year ended<br>31.03.2023<br>(Previous Year)<br>₹ |
|--------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Interest on Deposits                                      | 221459,94,10                                    | 162418,04,53                                     |
| II. Interest on Reserve Bank of India/ Inter-bank borrowings | 22443,53,50                                     | 18080,16,02                                      |
| III. Others                                                  | 11351,35,28                                     | 6764,35,01                                       |
| <b>TOTAL</b>                                                 | <b>255254,82,88</b>                             | <b>187262,55,56</b>                              |



## SCHEDULE 16 - OPERATING EXPENSES

(000s omitted)

|                                                                                 | Year ended<br>31.03.2024<br>(Current Year)<br>₹ | Year ended<br>31.03.2023<br>(Previous Year)<br>₹ |
|---------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Payments to and provisions for employees #                                   | 78336,98,41                                     | 57291,84,28                                      |
| II. Rent, taxes and lighting                                                    | 6081,83,48                                      | 5702,00,53                                       |
| III. Printing and Stationery                                                    | 824,47,35                                       | 705,42,59                                        |
| IV. Advertisement and publicity                                                 | 532,32,39                                       | 323,38,66                                        |
| V. Depreciation on Bank's property                                              | 3351,91,61                                      | 3297,27,04                                       |
| VI. Directors' fees, allowances and expenses                                    | 1,81,65                                         | 1,56,38                                          |
| VII. Auditors' fees and expenses (including branch auditors' fees and expenses) | 298,28,96                                       | 270,79,10                                        |
| VIII. Law charges                                                               | 346,23,70                                       | 271,61,16                                        |
| IX. Postages, Telegrams, Telephones, etc.                                       | 662,12,53                                       | 536,54,31                                        |
| X. Repairs and maintenance                                                      | 1198,06,57                                      | 1069,68,01                                       |
| XI. Insurance                                                                   | 6224,12,20                                      | 5758,03,98                                       |
| XII. Other expenditure                                                          | 27002,62,50                                     | 22514,97,57                                      |
| <b>TOTAL</b>                                                                    | <b>124860,81,35</b>                             | <b>97743,13,61</b>                               |

# Payments to and provisions for employees includes exceptional items for provision of ₹7100,00,00 thousand (Previous year Nil) [₹5400,00,00 thousand (Previous year Nil) for estimated liability on account of pension at uniform rate of 50% for all pensioners prospectively, in place of existing dual rate of calculation of pension and ₹1700,00,00 thousand (Previous year Nil) on account of ex-gratia benefit and neutralisation of Dearness Relief to pre-November 2002 retirees and family pensioners].

# Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES

### A. Background:

State Bank of India (SBI or the Bank) is a banking and financial services statutory body engaged in providing a wide range of products and services to individuals, commercial enterprises, large corporates, public bodies, and institutional customers. The Bank is governed by the Banking Regulation Act, 1949, and the State Bank of India Act, 1955.

Following are the Significant Accounting Policies i.e., the specific accounting principles and methods of applying these principles in the preparation and presentation of financial statements of the Bank.

### B. Basis of Preparation:

The accounting and reporting policies of the Bank conform to Generally Accepted Accounting Principles in India (Indian GAAP), comprising of regulatory norms, directions & guidelines prescribed by the Reserve Bank of India (RBI), statutory guidelines of the State Bank of India Act 1955, and the Banking Regulations Act, 1949, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI), and the accounting practices prevalent in the banking industry in India.

In case of foreign offices, the statutory provisions, and practices of the local laws of the respective foreign country are followed if they are more prudent.

Bank's financial statements are prepared under the historical cost convention, with fundamental accounting assumptions of going concern, consistency, and accrual, unless otherwise stated.

The financial statements have been prepared in accordance with requirements under the Third Schedule of the Banking Regulation Act, 1949.

### C. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the

estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

### D. Significant Accounting Policies:

#### 1 Revenue Recognition:

- 1.1 Income and expenditure are accounted on accrual basis, except otherwise stated.
- 1.2 Interest/ Discount income is recognised in the Profit and Loss Account on realisation basis for following:
  - i. Income from Non-Performing Assets (NPAs) including investments, as per the prudential norms prescribed by RBI/ respective country regulators in the case of foreign offices (hereafter collectively referred to as Regulatory Authorities),
  - ii. Income on Rupee Derivatives designated as "Trading"
- 1.3 In accordance with the guidelines issued by the Reserve Bank of India, Profit on sale of investments in the Held to Maturity (HTM) category and on sale of Fixed Assets is appropriated to Capital Reserve, net of applicable taxes and amount required to be transferred to Statutory Reserve.
- 1.4 The discount if any, on acquisition of investments in Held to Maturity (HTM) category is accounted as follows:
  - i. on interest bearing securities, it is accounted for at the time of sale/ redemption.
  - ii. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.
- 1.5 Dividend income is recognised when the right to receive the dividend is established.
- 1.6 Commission on Letters of Credit (LC)/ Bank Guarantee (BG), Deferred Payment Guarantee, Government Business, ATM interchange fee & "Upfront fee on restructured account" are recognised on accrual basis proportionately over the period. All other commission and fee income are accounted on a realisation basis.
- 1.7 One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over the average loan period of 15 years.

- 1.8 Brokerage, Commission etc. paid/ incurred in connection with the issue of Bonds/ Deposits are amortised over the tenure of related Bonds/ Deposits and the expenses incurred in connection with the issue are charged upfront.
- 1.9 The Bank derecognises its financial assets when it sells to Securitisation Company (SC)/ Reconstruction Company (RC), and accounts for as under:
  - i. If the sale is at a price below the Net Book Value (NBV) (i.e., book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale.
  - ii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received.

## 2 Investments:

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation, as given below:

### 2.1 Classification:

As per RBI guidelines, investments are classified into Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) categories.

For disclosure in Balance Sheet, the investments are classified as Investments in India and outside India.

Under each category, the investments in India are further classified as (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and Joint Ventures and (vi) Others.

The investments outside India are further classified as (i) Government Securities (ii) Subsidiaries and Joint Ventures (iii) Other Investments.

### 2.2 Basis of classification:

- i. Investments that the Bank intends to hold till maturity are categorised as "Held to Maturity (HTM)".
- ii. Investments that are held principally for resale within 90 days from the date of purchase are categorised as "Held for Trading (HFT)".

- iii. Investments, which are not classified in above two categories, are classified as "Available for Sale (AFS)".
- iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.
- v. Investments in subsidiaries and joint ventures are classified as HTM except in respect of those investments which are acquired and held exclusively with a view to its subsequent disposal. These investments are classified as AFS.

### 2.3 Valuation:

- i. The transactions in all securities are recorded on a Settlement Date and cost is determined on the weighted average cost method except for investments under HTM category which are accounted on FIFO basis (First In First Out).
  - a. Brokerage/ commission received on subscriptions is reduced from the cost. Brokerage, Commission, Securities Transaction Tax (STT) etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
  - b. Broken period interest paid/ received on debt instruments is treated as interest expense/ income and is excluded from cost/ sale consideration.

#### ii. Valuation of investments classified as Held to Maturity:

- a. Investments under Held to Maturity category are carried at acquisition cost. The premium paid on acquisition if any, is amortised over the term to maturity on a constant yield basis. Such amortisation of premium is accounted as income on investments.
- b. Investments (in India and abroad) in subsidiaries, joint ventures and associates are valued at historical cost. A provision is made for diminution, other than temporary, for each investment individually.
- c. Investments in Regional Rural Banks are valued at carrying cost (i.e., book value).

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## iii. Valuation of investments classified as Available for Sale and Held for Trading:

Investments classified as Available for Sale and Held for Trading are individually revalued at market price or fair value determined as per the regulatory guidelines and the net depreciation if any, of each group for each category (viz. (i) Government securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and Joint Ventures and (vi) others) is provided for and net appreciation is ignored.

## iv. Valuation policy in event of inter category transfer of investments:

- a. Transfer of securities from HFT/ AFS category to HTM category is carried out at the lower of acquisition cost/ book value/ market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for.
- b. Transfer of securities from HTM category to AFS category is carried out on acquisition price/ book value. On transfer, these securities are immediately revalued and resultant depreciation, if any, is provided, in the Profit and Loss Account.

## v. Valuation in case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts:

- a. The investment in security receipts obtained by way of sale of NPA to SC/RC, is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR.
- b. SRs issued by an SC/ ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.

- vi. Treasury Bills and Commercial Papers are valued at carrying cost.

## 2.4 Investments (NPI):

- i. In respect of domestic offices, based on the guidelines issued by RBI, investments are classified as performing and non-performing as follows:
  - a. Interest/ instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.
  - b. In the case of equity shares, in the event the investment in shares of any company is valued at ₹1 per company on account of non-availability of the latest balance sheet, those equity shares would be reckoned as NPI.
  - c. The Bank also classifies an investment as a non-performing investment in case any credit facility availed by the same borrower/entity has been classified as a non-performing asset and vice versa. The above is applied to Preference Shares where the fixed dividend is not paid.
  - d. The investments in debentures/ bonds, which are deemed to be advance, are also subjected to NPI norms as applicable to investments.
- ii. In respect of foreign offices, classification, and provisions for non-performing investments (NPIs) are made as per the local regulations or as per the norms of RBI, whichever are more prudent.

## 2.5 Accounting for Repo/Reverse Repo transactions:

The Bank enters Repurchase and Reverse Repurchase Transactions with RBI under Liquidity Adjustment Facility (LAF) and with market participants. Repurchase Transaction represents borrowing by selling the securities with an agreement to repurchase the securities. Reverse Repo Transactions on the other hand, represent lending funds by purchasing the securities.

- i. Transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Collateralised Lending and Borrowing transactions.

- ii. In Repo and Reverse Repo transaction, securities sold(purchased) and repurchased (resell) are accounted as normal outright sale(purchase) transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and contra entries. The above entries are reversed on the date of maturity.
- iii. Balance in Repo Account is classified under Schedule 4 'Borrowings'.
- iv. All type of Reverse Repos with RBI including those under Liquidity Adjustment Facility are presented under sub item (ii) 'In Other Accounts' of item (II) Balances with RBI under Schedule 6 'Cash and balances with RBI'.
- v. Reverse Repos with banks and other institutions having original tenors up to and inclusive of 14 days are classified as Money at call and short notice under Schedule 7 'Balance with Banks and Money at call & short notice'. Reverse Repos with original maturity more than 14 days but up to 1 year are classified as Cash Credits, overdrafts, and loans repayable on demand, under Schedule 9 'Advances'. All other Reverse Repos are classified as Term Loans under Schedule 9 'Advances'.
- vi. Borrowing cost of repo transactions and revenue on reverse repo transactions, with RBI or others, is accounted for as interest expense and interest income, respectively.

### 3 Loans/Advances and Provisions thereon:

3.1 Based on the guidelines/directives issued by the RBI, Loans and Advances are classified as performing and non-performing, as follows:

- i. A term loan is classified as a non-performing asset if interest and/or instalment of principal remains overdue for a period of more than 90 days.
- ii. An Overdraft or Cash Credit is classified as a non-performing asset, if, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/ drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance sheet, or if the credits are not adequate to cover the interest debited during the same period.

- iii. The bills purchased/ discounted are classified as Non-performing Asset if the bill remains overdue for a period of more than 90 days.
- iv. The agricultural advances are classified as a non-performing if, (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

- i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.
- iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

|                             |  |      |                                                                                                                                                          |
|-----------------------------|--|------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Sub-standard Assets:</b> |  | i.   | A general provision of 15% on the total outstanding;                                                                                                     |
|                             |  | ii.  | Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio); |
|                             |  | iii. | Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available - 20%.                           |
| <b>Doubtful Assets:</b>     |  |      |                                                                                                                                                          |
| - Secured portion:          |  | i.   | Upto one year – 25%                                                                                                                                      |
|                             |  | ii.  | One to three years – 40%                                                                                                                                 |
|                             |  | iii. | More than three years – 100%                                                                                                                             |
| - Unsecured portion         |  |      | 100%                                                                                                                                                     |
| <b>Loss Assets:</b>         |  |      | 100%                                                                                                                                                     |

3.4 In respect of foreign offices, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more prudent.

3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received, and bills rediscounted.

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

- 3.6 For restructured/ rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans/ advances before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.
- 3.7 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.
- 3.8 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.
- 3.9 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.
- 3.10 The Bank also makes additional provisions on specific non-performing assets.
- 3.11 Appropriation of recoveries in NPAs are made in order of priority as under:
- Charges, Costs, Commission etc.
  - Unrealised Interest / Interest
  - Principal

However, in Compromise and Resolution/ Settlement through National Company Law Tribunal (NCLT) cases, the recoveries are appropriated as per the terms of respective compromise/ resolution/ settlement. In case of suit filed accounts, recovery is appropriated as per directives of respective courts.

## 4 Floating Provisions & Countercyclical Provisioning Buffer:

The Bank has a policy for creation and utilisation of Countercyclical Provisioning Buffer in good times as well as for floating provisions separately for advances, investments, and general purposes. The quantum of floating provisions and Countercyclical Provisioning Buffer to be created is assessed at the end of the financial year. These provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

## 5 Provision for Country Exposure:

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others".

## 6 Derivatives:

- 6.1 The Bank enters in derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, cross currency interest rate swaps and forward rate agreements to hedge on-balance sheet/ off-balance sheet assets and liabilities or for trading purposes. The swap contracts entered to hedge on-balance sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments is correlated with the movement of the underlying assets and accounted in accordance with the principles of hedge accounting.
- 6.2 Derivative contracts classified as hedge are recorded on accrual basis. Hedge contracts are not marked to market unless the underlying assets/ liabilities are also marked to market.
- 6.3 Except as mentioned above, all other derivative contracts are marked to market as per the Generally Accepted Accounting Practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the Profit and Loss Account in the period of change. Any receivable under derivative contracts, which remain overdue for more than 90 days, are reversed through Profit and Loss Account to "Suspense Account Crystallised Receivables". In cases where the derivative contracts provide for more settlement in future and if the derivative contract is not terminated on the overdue receivables remaining unpaid for 90 days, the positive MTM pertaining to future receivables is also reversed from Profit and Loss Account to "Suspense Account - Positive MTM".

- 6.4 Option premium paid or received is recorded in Profit and Loss Account at the expiry of the option. The balance in the premium received on options sold and premium paid on options bought is considered to arrive at Mark-to-Market value for forex Over the Counter (OTC) options.
- 6.5 Exchange Traded Derivatives entered in for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognised in the Profit and Loss Account.

## 7 Fixed Assets, Depreciation and Amortisation:

- 7.1 Fixed Assets are carried at cost less accumulated depreciation/ amortisation except for freehold premises carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation, as stated otherwise.
- 7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put-to-use. Subsequent expenditure(s) incurred on the assets put-to-use are capitalised only when it increases the future benefits from such assets or their functioning capability. The fixed assets in domestic offices are depreciated at straight line method based on useful life of the assets stated as under:

| Sr. No. | Description of Fixed Assets                                                                                  | Useful Life for Depreciation |
|---------|--------------------------------------------------------------------------------------------------------------|------------------------------|
| 1       | Computers                                                                                                    | 3 Years                      |
| 2       | Computer Software forming an integral part of the computer hardware                                          | 3 Years                      |
| 3       | Computer Software which does not form an integral part of Computer hardware and cost of Software Development | 3 Years                      |
| 4       | Automated Teller Machine/ Cash Deposit Machine/ Coin Dispenser/ Coin Vending Machine                         | 5 Years                      |
| 5       | Server                                                                                                       | 4 Years                      |
| 6       | Network Equipment                                                                                            | 5 Years                      |
| 7       | <u>Other major fixed assets:</u>                                                                             |                              |
|         | Premises                                                                                                     | 60 Years                     |
|         | Safe Deposit Lockers                                                                                         | 20 Years                     |
|         | Furniture & Fixtures                                                                                         | 10 Years                     |
|         | Air Conditioners                                                                                             | 8 Years                      |
|         | Vehicles                                                                                                     | 5 Years                      |

- 7.3 In respect of assets acquired during the year (for domestic operations), depreciation is charged on proportionate basis for the number of days the assets have been put-to-use during the year.

- 7.4 Assets costing less than ₹1,000 each are charged off in the year of purchase.
- 7.5 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease (except for premises and land on perpetual lease) and Lease payments for assets taken on Operating lease are recognised as expense in the Profit & Loss account over the lease term on straight line basis.
- 7.6 In respect of fixed assets held at foreign offices, depreciation is provided as per the regulations / norms of the respective countries.
- 7.7 The Bank revalue freehold immovable assets at every three years. The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to General Reserve. The revalued asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

## 8 Impairment of Assets:

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

## 9 Effect of changes in the foreign exchange rate:

### 9.1 Foreign Currency Transactions:

- Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/ forward) rates.



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- iii. Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.
- iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.
- v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognised in the Profit and Loss Account.
- vi. Foreign exchange forward contracts which are not intended for trading and are outstanding on the balance sheet date, are re-valued at the closing spot rate. The premium or discount arising at the inception of such forward exchange contract is amortised as expense or income over the life of the contract.
- vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.
- viii. Gains/ Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/ losses are recognised in the Profit and Loss Account.
- c. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.
- d. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country on the balance sheet date.

## ii. Integral Operations:

- a. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- b. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/ Forward) exchange rates notified by FEDAI at the balance sheet date and the resulting Profit/ Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.
- c. Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

## 9.2 Foreign Operations:

Foreign Branches of the Bank and Offshore Banking Units (OBU) have been classified as Non-integral Operations and Representative Offices have been classified as Integral Operations.

### i. Non-integral Operations:

- a. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- b. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.

## 10 Employee Benefits:

### 10.1 Short Term Employee Benefits:

The undiscounted amounts of short-term employee benefits, such as medical benefits which are expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

### 10.2 Long Term Employee Benefits:

#### i. Defined Benefit Plans:

- a. The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes to the fund at 10% of employee's basic pay plus eligible



allowance monthly. These contributions are remitted to a Trust established for this purpose and are charged to Profit and Loss Account. The Bank recognises such annual contributions as an expense in the year to which it relates. Shortfall, if any, is provided for based on actuarial valuation.

b. The Bank operates Gratuity and Pension schemes which are defined benefit plans.

- The Bank provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities or Service Gratuity without cap for erstwhile Associate Bank's employees. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.
- The Bank provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the Pension Fund at 10% of salary in terms of SBI Employees' Pension Fund Regulations. The pension liability is reckoned based on an independent actuarial valuation carried out annually and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the Pension Fund Regulations.

- c. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains/ losses are immediately recognised in the Profit and Loss Account and are not deferred.

**ii. Defined Contribution Plan:**

The Bank operates a New Pension Scheme (NPS) for all officers/ employees joining the Bank on or after 1<sup>st</sup> August 2010, which is a defined contribution plan. (Such new joiners not being entitled to become members of the existing SBI Pension Scheme). As per the scheme, these employees contribute 10% of their basic pay plus dearness allowance to the scheme together with Bank's contribution at 14% of basic pay plus dearness allowance. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in the Bank and earn interest at the rate applicable to Provident Fund balance. The Bank recognises such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

**iii. Other Long Term Employee Benefits:**

- a. All eligible employees of the Bank are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The costs of such long-term employee benefits are internally funded by the Bank.
- b. The cost of providing other long-term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost, if any, is immediately recognised in the Profit and Loss Account and is not deferred.

10.3 Employee benefits relating to employees employed at foreign offices are valued and accounted for as per the respective local laws/ regulations.

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## 11 Segment Reporting:

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

## 12 Taxes on income:

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – “Accounting for Taxes on Income” respectively after considering taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account. Deferred tax assets are recognised and re-assessed at each reporting date, based upon management’s judgement as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

## 13 Earnings per Share:

13.1 The Bank reports basic and diluted earnings per share in accordance with AS 20 – “Earnings per Share” issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.

13.2 Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

## 14 Provisions, Contingent Liabilities and Contingent Assets:

14.1 In conformity with AS 29, “Provisions, Contingent Liabilities and Contingent Assets”, issued by the Institute of Chartered Accountants of India, the Bank recognises provisions only when it has a present obligation because of a past event, and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

14.2 No provision is recognised for:

- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or
- ii. any present obligation that arises from past events but is not recognised because:
  - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

14.3 Provision for reward points in relation to the “Enterprise-Wide Loyalty Programme” of the Bank is being provided for on actuarial estimates.

14.4 Provisions for onerous contracts are recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.

14.5 Contingent Assets are not recognised in the financial statements.

#### **15 Bullion Transactions:**

The Bank imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on price quoted by the supplier. The Bank earns a fee on such bullion transactions. The fee is classified under commission income. The Bank also accepts deposits and lends gold, which is treated as deposits/ advances as the case may be with the interest paid/ received classified as interest expense/ income. Gold Deposits, Metal Loan Advances and closing Gold Balances are valued at available Market Rate as on the date of Balance Sheet.

#### **16 Special Reserves:**

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors of the Bank has passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

#### **17 Share Issue Expenses:**

Share issue expenses are charged to the Share Premium Account.

#### **18 Cash and Cash equivalents:**

Cash and cash equivalents include Cash and Balances with RBI, Balances with Banks and money at call and short notice.

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## SCHEDULE 18: NOTES TO ACCOUNTS

### 18.1 REGULATORY CAPITAL

#### a. Composition of Regulatory Capital (As per Basel III):

|         |                                                                                                                      | (₹ in Crore)                      |                                   |
|---------|----------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Sr. No. | Items                                                                                                                | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 |
| i)      | Common Equity Tier 1 capital                                                                                         | 3,33,705.96                       | 2,85,834.97                       |
| ii)     | Additional Tier 1 capital                                                                                            | 50,471.40                         | 49,692.70                         |
| iii)    | Tier 1 capital (i + ii)                                                                                              | 3,84,177.36                       | 3,35,527.67                       |
| iv)     | Tier 2 capital                                                                                                       | 75,846.02                         | 73,051.40                         |
| v)      | Total capital (Tier 1 + Tier 2)                                                                                      | 4,60,023.38                       | 4,08,579.07                       |
| vi)     | Total Risk Weighted Assets (RWAs)                                                                                    | 32,22,358.28                      | 27,83,058.70                      |
| vii)    | CET 1 Ratio (%)<br>(CET 1 as a percentage of RWAs)                                                                   | 10.36%                            | 10.27%                            |
| viii)   | Tier 1 capital Ratio (%)<br>(Tier 1 capital as a percentage of RWAs)                                                 | 11.93%                            | 12.06%                            |
| ix)     | Tier 2 capital Ratio (%)<br>(Tier 2 capital as a percentage of RWAs)                                                 | 2.35%                             | 2.62%                             |
| x)      | Capital to Risk Weighted Assets Ratio (CRAR) (%)<br>(Total capital as a percentage of RWAs)                          | 14.28%                            | 14.68%                            |
| xi)     | Leverage Ratio                                                                                                       | 5.67%                             | 5.52%                             |
| xii)    | Percentage of the Shareholding of Government of India                                                                | 56.92%                            | 56.92%                            |
| xiii)   | Amount of paid-up equity capital raised during the year                                                              | Nil                               | \$                                |
| xiv)    | <u>Amount of non-equity Tier 1 capital raised during the year:</u><br>Basel III compliant Perpetual Debt Instruments | 8,101.00                          | 15,133.00                         |
| xv)     | <u>Amount of Tier 2 capital raised during the year:</u><br>Basel III compliant Debt Capital instruments              | 10,000.00                         | 4,000.00                          |

RBI vide Circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated 1<sup>st</sup> March 2016, has given discretion to banks to consider Revaluation Reserve, Foreign Currency Translation Reserve and Deferred Tax Asset for purposes of computation of Capital Adequacy as CET- I capital ratio. The Bank has exercised the option in the above computation.

\$ During the financial year 2022-2023, the Bank has allotted 400 equity shares of ₹1/- each for cash at a premium of ₹158/- per equity share out of 7,93,630 shares (issued as a part of Right Issue-2008) allotment of which was held in abeyance for resolution of title dispute. Out of the total subscription of ₹63,600/- received, ₹400/- was transferred to Share Capital Account and ₹63,200/- to Share Premium Account. As on 31<sup>st</sup> March 2024 allotment of 7,93,230 shares is held in abeyance.

**b. Drawdown from Reserves:**

In terms of RBI Circular No: DBR.No.BP.BC.102/21.04.048/2017-18 dated 2<sup>nd</sup> April 2018, ₹749.08 Crore has been drawn down from Investment Fluctuation Reserve as it was in excess of 2 percent of HFT and AFS portfolio.

**c. Innovative Perpetual Debt Instruments (IPDI):**

The details of IPDI issued which qualify for Hybrid Tier I Capital and outstanding are as under:

| Sr. No.      | Nature of Bonds                                                         | Principal Amount<br>(₹ in Crore) | Date of Issue | Interest Rate<br>% p.a. |
|--------------|-------------------------------------------------------------------------|----------------------------------|---------------|-------------------------|
| i)           | SBI Non-Convertible, Unsecured, Basel III- AT 1 Bonds 2019-20 Series I  | 3,104.80                         | 30.08.2019    | 8.75                    |
| ii)          | SBI Non-Convertible, Unsecured, Basel III- AT 1 Bonds 2019-20 Series II | 3,813.60                         | 22.11.2019    | 8.50                    |
| iii)         | SBI Non-Convertible, Unsecured, Basel III AT1 Bonds 2020-21 Series I    | 4,000.00                         | 09.09.2020    | 7.74                    |
| iv)          | SBI Non-Convertible Unsecured Basel III AT1 Bonds 2020 Series II        | 2,500.00                         | 24.11.2020    | 7.73                    |
| v)           | SBI Non-Convertible Unsecured Basel III AT1 Bonds 2021 Series I         | 4,000.00                         | 03.09.2021    | 7.72                    |
| vi)          | SBI Non-Convertible Unsecured Basel III AT1 Bonds 2021 Series II        | 6,000.00                         | 18.10.2021    | 7.72                    |
| vii)         | SBI Non-Convertible Unsecured Basel III AT1 Bonds 2021 Series III       | 3,974.00                         | 14.12.2021    | 7.55                    |
| viii)        | SBI Non-Convertible Unsecured Basel III AT1 Bonds 2022-23 Series I      | 6,872.00                         | 09.09.2022    | 7.75                    |
| ix)          | SBI Non-Convertible Unsecured Basel III AT1 Bonds 2022-23 Series II     | 4,544.00                         | 21.02.2023    | 8.20                    |
| x)           | SBI Non-Convertible Unsecured Basel III AT1 Bonds 2022-23 Series III    | 3,717.00                         | 09.03.2023    | 8.25                    |
| xi)          | SBI Non-Convertible Unsecured Basel III AT1 Bonds 2023-24 Series I      | 3,101.00                         | 14.07.2023    | 8.10                    |
| xii)         | SBI Non-Convertible Unsecured Basel III AT1 Bonds 2023-24 Series II     | 5,000.00                         | 19.01.2024    | 8.34                    |
| <b>TOTAL</b> |                                                                         | <b>50,626.40</b>                 |               |                         |

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## d. Subordinated Debts:

The bonds are unsecured, long term, non-convertible and are redeemable at par. The details of outstanding subordinate debts are as under: -

| Sr. No.      | Nature of Bonds                            | Principal Amount<br>(₹ in Crore) | Date of Issue /Date of Redemption | Interest Rate<br>% p.a. | Maturity Period<br>in Months |
|--------------|--------------------------------------------|----------------------------------|-----------------------------------|-------------------------|------------------------------|
| i)           | e-SBM Tier II                              | 500.00                           | 17.12.2014                        | 8.55                    | 120                          |
|              | Basel III compliant                        |                                  | 17.12.2024                        |                         |                              |
| ii)          | e-SBP Tier II                              | 950.00                           | 22.01.2015                        | 8.29                    | 120                          |
|              | Basel III compliant (Series I)             |                                  | 22.01.2025                        |                         |                              |
| iii)         | e-SBBJ Tier II                             | 200.00                           | 20.03.2015                        | 8.30                    | 120                          |
|              | Basel III compliant                        |                                  | 20.03.2025                        |                         |                              |
| iv)          | e-SBH Tier II                              | 393.00                           | 31.03.2015                        | 8.32                    | 120                          |
|              | Basel III compliant (Series XIV)           |                                  | 31.03.2025                        |                         |                              |
| v)           | e-SBH Tier II                              | 500.00                           | 30.12.2015                        | 8.40                    | 120                          |
|              | Basel III compliant (Series XV)            |                                  | 30.12.2025                        |                         |                              |
| vi)          | e-SBM Tier II                              | 300.00                           | 31.12.2015                        | 8.40                    | 120                          |
|              | Basel III compliant                        |                                  | 31.12.2025                        |                         |                              |
| vii)         | e-SBM Tier II                              | 200.00                           | 18.01.2016                        | 8.45                    | 120                          |
|              | Basel III compliant                        |                                  | 18.01.2026                        |                         |                              |
| viii)        | e-SBH Tier II                              | 200.00                           | 08.02.2016                        | 8.45                    | 120                          |
|              | Basel III compliant (Series XVI)           |                                  | 08.02.2026                        |                         |                              |
| ix)          | SBI Non-Convertible, Unsecured             | 5,000.00                         | 28.06.2019                        | 7.99                    | 120                          |
|              | Basel III - Tier II Bonds 2019-20          |                                  | 28.06.2029                        |                         |                              |
| x)           | SBI Non-Convertible, Unsecured             | 8,931.00                         | 21.08.2020                        | 6.80                    | 180                          |
|              | Basel III -Tier II Bonds 2020-21 Series I  |                                  | 21.08.2035                        |                         |                              |
| xi)          | SBI Non-Convertible, Unsecured             | 7,000.00                         | 21.09.2020                        | 6.24                    | 120                          |
|              | Basel III -Tier II Bonds 2020-21 Series II |                                  | 21.09.2030                        |                         |                              |
| xii)         | SBI Non-Convertible, Unsecured             | 5,000.00                         | 26.10.2020                        | 5.83                    | 120                          |
|              | Basel III Tier 2 Bonds 2020-21 Series III  |                                  | 26.10.2030                        |                         |                              |
| xiii)        | SBI Non-Convertible, Unsecured             | 4,000.00                         | 23.09.2022                        | 7.57                    | 180                          |
|              | Basel III Tier 2 Bonds 2022-2023 Series I  |                                  | 23.09.2037                        |                         |                              |
| xiv)         | SBI Non-Convertible, Unsecured             | 10,000.00                        | 02.11.2023                        | 7.81                    | 180                          |
|              | Basel III Tier 2 Bonds 2023-2024           |                                  | 02.11.2038                        |                         |                              |
| <b>TOTAL</b> |                                            | <b>43,174.00</b>                 |                                   |                         |                              |

## 18.2. ASSET LIABILITY MANAGEMENT

### a. Maturity pattern of certain items of assets and liabilities as at 31<sup>st</sup> March 2024:

(₹ in Crore)

|                                 | Day1                     | 2-7 Days                     | 8-14 Days                | 15 to 30 days            | Over 31 days and upto 2 months | Over 2 months and upto 3 months | Over 3 months and upto 6 months | Over 6 months and upto 1 Year  | Over 1 year and upto 3 years   | Over 3 years and upto 5 years | Over 5 Years                   | Total                          |
|---------------------------------|--------------------------|------------------------------|--------------------------|--------------------------|--------------------------------|---------------------------------|---------------------------------|--------------------------------|--------------------------------|-------------------------------|--------------------------------|--------------------------------|
| Deposits                        | 62,388.64<br>(62021.01)  | 91,980.91<br>(81,883.25)     | 48,883.19<br>(45,827.82) | 76,745.22<br>(64,120.64) | 96,162.50<br>(88,668.79)       | 73,330.72<br>(60,036.93)        | 223,144.27<br>(1,82,952.43)     | 10,91,758.84<br>(10,66,628.66) | 13,08,824.69<br>(9,631,43.94)  | 4,99,189.18<br>(5,25,512.40)  | 1,34,366.861<br>(12,82,981.91) | 49,16,076.77<br>(44,23,777.78) |
| Advances                        | 48,490.57<br>(43,124.35) | 20,243.78<br>(18,214.44)     | 18,200.46<br>(16,962.84) | 63,527.57<br>(41,105.18) | 79,495.23<br>(79,902.61)       | 59,539.62<br>(60,557.90)        | 1,77,491.33<br>(1,89,565.69)    | 2,58,065.63<br>(2,38,645.46)   | 14,21,478.78<br>(11,55,432.84) | 4,99,508.52<br>(4,33,665.73)  | 10,57,929.36<br>(9,22,092.26)  | 37,03,970.85<br>(31,99,269.30) |
| Investments                     | 401.67<br>(355.75)       | 4,656.47<br>(1,278.98)       | 2,612.69<br>(4,552.48)   | 12,025.91<br>(1,771.798) | 20,920.94<br>(50,026.23)       | 29,133.31<br>(25,047.13)        | 47,085.63<br>(62,332.71)        | 1,41,889.43<br>(1,86,969.71)   | 31,21,033.33<br>(2,61,846.37)  | 2,13,496.44<br>(2,38,318.28)  | 887,013.84<br>(7,21,920.61)    | 16,71,339.66<br>(15,70,366.23) |
| Borrowings                      | 59,009.00<br>(21.11)     | 1,00,380.89<br>(1,05,533.97) | 4,567.20<br>(16,840.87)  | 27,865.05<br>(28,535.79) | 29,449.90<br>(27,044.48)       | 35,365.03<br>(37,140.22)        | 73,860.39<br>(47,064.18)        | 49,411.34<br>(55,395.05)       | 80,558.21<br>(66,095.16)       | 42,787.25<br>(53,366.85)      | 94,306.65<br>(56,097.48)       | 5,97,560.91<br>(4,93,135.16)   |
| Foreign Currency Assets #       | 15,621.97<br>(11,699.08) | 9,830.90<br>(8,291.75)       | 8,385.25<br>(8,689.76)   | 42,254.85<br>(21,566.10) | 40,481.78<br>(40,420.48)       | 45,373.87<br>(42,014.10)        | 89,465.07<br>(93,188.46)        | 73,261.52<br>(73,245.98)       | 1,82,089.19<br>(1,38,699.09)   | 1,08,502.14<br>(1,08,321.98)  | 57,547.38<br>(61,971.63)       | 6,72,813.92<br>(6,08,108.41)   |
| Foreign Currency Liabilities \$ | 23,328.17<br>(24,828.68) | 7,999.52<br>(10,034.84)      | 7,797.35<br>(9,639.00)   | 36,812.27<br>(30,962.01) | 42,343.85<br>(44,476.12)       | 45,723.86<br>(50,917.06)        | 1,11,574.02<br>(74,840.99)      | 96,735.79<br>(82,402.52)       | 99,192.23<br>(74,915.44)       | 64,387.38<br>(54,743.19)      | 19,293.86<br>(28,376.65)       | 5,55,188.30<br>(4,86,136.50)   |

# Foreign Currency Assets represent advances and investments.

\$ Foreign Currency Liabilities represent borrowings and deposits.

(Figures in brackets are as at 31<sup>st</sup> March 2023).

### b. Liquidity Coverage Ratio (LCR):

#### i. Standalone LCR

- Liquidity Coverage Ratio (LCR) standard represents an unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar daytime horizon under significantly severe liquidity stress scenario.

$$\text{LCR} = \frac{\text{Stock of high-quality liquid assets (HQLAs)}}{\text{Total net cash outflow over the next 30 calendar days}}$$

- Liquid assets comprise of high-quality assets that can be readily encashed or used as collateral to obtain cash in a range of stress scenarios.
- There are two categories of assets included in the stock of HQLAs, viz. Level 1 and Level 2 assets. While Level 1 assets are with 0% haircut, Level 2A and Level 2 B assets are with 15% and 50% haircuts respectively.
- The total net cash outflow is the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days.
- Total expected cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by the rates at which they are expected to run off or be drawn down.
- Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in up to an aggregate cap of 75% of total expected cash outflows.

# Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## Quantitative Disclosure

(₹ in Crore)

| Liquidity Coverage Ratio (State Bank of India - Standalone)                   |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
|-------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|-------------------------------------------------|-----------------------------------------|--------------------------------------------------|-----------------------------------------|---------------------------------------------|-----------------------------------------|----------------------------------------------|-----------------------------------------|
| LCR COMPONENTS                                                                | Quarter ended<br>31 <sup>st</sup> March 2024 |                                         | Quarter ended<br>31 <sup>st</sup> December 2023 |                                         | Quarter ended<br>30 <sup>th</sup> September 2023 |                                         | Quarter ended<br>30 <sup>th</sup> June 2023 |                                         | Quarter ended<br>31 <sup>st</sup> March 2023 |                                         |
|                                                                               | Total<br>Unweighted<br>Value<br>(Average)    | Total<br>Weighted<br>Value<br>(Average) | Total<br>Unweighted<br>Value<br>(Average)       | Total<br>Weighted<br>Value<br>(Average) | Total<br>Unweighted<br>Value<br>(Average)        | Total<br>Weighted<br>Value<br>(Average) | Total<br>Unweighted<br>Value<br>(Average)   | Total<br>Weighted<br>Value<br>(Average) | Total<br>Unweighted<br>Value<br>(Average)    | Total<br>Weighted<br>Value<br>(Average) |
| <b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>                                      |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| 1. Total High Quality Liquid Assets (HQLA)                                    |                                              | 13,13,148                               |                                                 | 14,08,025                               |                                                  | 14,04,869                               |                                             | 13,06,689                               |                                              | 12,13,100                               |
| <b>CASH OUTFLOWS</b>                                                          |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| 2. Retail Deposits and deposits from small business customers, of which:      |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| i) Stable deposits                                                            | 9,73,866                                     | 48,693                                  | 9,63,926                                        | 48,196                                  | 9,44,720                                         | 47,236                                  | 9,23,641                                    | 46,182                                  | 9,08,572                                     | 45,429                                  |
| ii) Less Stable Deposits                                                      | 22,91,273                                    | 2,29,127                                | 22,43,331                                       | 2,24,333                                | 21,93,991                                        | 2,19,399                                | 21,38,128                                   | 2,13,813                                | 21,03,084                                    | 2,10,308                                |
| 3. Unsecured wholesale funding, of which:                                     |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| i) Operational deposits (all counterparties)                                  | -                                            | -                                       | -                                               | -                                       | -                                                | -                                       | -                                           | -                                       | -                                            | -                                       |
| ii) Non-operational deposits (all counterparties)                             | 12,70,853                                    | 7,46,617                                | 12,47,741                                       | 7,33,139                                | 12,18,166                                        | 7,08,070                                | 11,38,468                                   | 6,61,586                                | 10,48,772                                    | 6,07,493                                |
| iii) Unsecured debt                                                           | -                                            | -                                       | -                                               | -                                       | -                                                | -                                       | -                                           | -                                       | -                                            | -                                       |
| 4. Secured wholesale funding                                                  | 1,48,018                                     | 188                                     | 79,750                                          | 1,018                                   | 41,700                                           | 705                                     | 61,710                                      | 371                                     | 1,37,680                                     | 222                                     |
| 5. Additional requirements, of which                                          |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| i) Outflows related to derivative exposures and other collateral requirements | 4,13,077                                     | 4,13,077                                | 3,46,797                                        | 3,46,797                                | 3,64,470                                         | 3,64,470                                | 3,58,677                                    | 3,58,677                                | 3,92,263                                     | 3,92,263                                |
| ii) Outflows related to loss of funding on debt products                      | -                                            | -                                       | -                                               | -                                       | -                                                | -                                       | -                                           | -                                       | -                                            | -                                       |
| iii) Credit and liquidity facilities                                          | 1,15,723                                     | 33,872                                  | 1,15,286                                        | 34,180                                  | 1,04,535                                         | 31,828                                  | 83,873                                      | 18,372                                  | 78,921                                       | 13,327                                  |
| 6. Other contractual funding obligations                                      | 52,747                                       | 52,747                                  | 58,853                                          | 58,853                                  | 52,651                                           | 52,651                                  | 52,021                                      | 52,021                                  | 46,656                                       | 46,656                                  |
| 7. Other contingent funding obligations                                       | 9,50,450                                     | 38,029                                  | 9,65,578                                        | 38,483                                  | 9,30,697                                         | 37,315                                  | 9,26,306                                    | 37,027                                  | 7,94,503                                     | 30,705                                  |
| 8. Total Cash Outflows                                                        | 62,16,008                                    | 15,62,351                               | 60,21,262                                       | 14,85,000                               | 58,50,930                                        | 14,61,674                               | 56,82,824                                   | 13,88,049                               | 55,10,451                                    | 13,46,403                               |
| <b>CASH INFLOWS</b>                                                           |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| 9. Secured lending (e.g. Reverse repos)                                       | 4,445                                        | -                                       | 8,722                                           | -                                       | 33,127                                           | -                                       | 27,901                                      | -                                       | 15,796                                       | -                                       |
| 10. Inflows from fully performing exposures                                   | 5,35,048                                     | 4,94,161                                | 4,49,525                                        | 4,16,254                                | 4,84,517                                         | 4,51,006                                | 4,87,450                                    | 4,55,660                                | 5,07,787                                     | 4,75,478                                |
| 11. Other cash inflows                                                        | 65,374                                       | 50,401                                  | 60,490                                          | 46,853                                  | 59,433                                           | 45,101                                  | 55,480                                      | 42,988                                  | 54,824                                       | 43,516                                  |
| 12. Total Cash Inflows                                                        | 6,04,867                                     | 5,44,562                                | 5,18,737                                        | 4,63,107                                | 5,77,077                                         | 4,96,107                                | 5,70,831                                    | 4,98,648                                | 5,78,407                                     | 5,18,994                                |
| 13. Total HQLA                                                                |                                              | 13,13,148                               |                                                 | 14,08,025                               |                                                  | 14,04,869                               |                                             | 13,06,689                               |                                              | 12,13,100                               |
| 14. Total Net Cash Outflows                                                   |                                              | 10,17,789                               |                                                 | 10,21,893                               |                                                  | 9,65,567                                |                                             | 8,89,401                                |                                              | 8,27,409                                |
| 15. Liquidity Coverage Ratio (%)                                              |                                              | 129.02%                                 |                                                 | 137.79%                                 |                                                  | 145.50%                                 |                                             | 146.92%                                 |                                              | 146.61%                                 |

In accordance with RBI guidelines vide circular No. RBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated 31<sup>st</sup> March 2015, average weighted and unweighted amounts have been calculated taking simple daily average. The Bank has considered 67 data points for the quarter January to March 2024.



- Bank's LCR comes to 129.02% based on daily average position of three months (Q4 FY2024) and remained above the minimum regulatory requirement of 100%. Average HQLA held during the quarter was ₹13,13,148 Crore, with 96.50% being Level 1 assets. Level 2A and Level 2B assets constitute 2.84% and 0.66% of total HQLA, respectively. Government Securities constituted 94.34% of Total Level 1 Assets. During the quarter, the weighted average HQLA level got reduced by ₹94,877 Crore primarily on account of decline in excess SLR balance. Further, the weighted average net cash outflows position remained almost at the same level with a negligible fall by ₹4,104 Crore during the quarter. Derivative exposures are considered insignificant due to almost matching inflows and outflows position. During the quarter, LCR for USD (significant Foreign Currency constituting more than 5% of the Balance Sheet of the Bank) was at 413.69%, on an average.
- Liquidity Management in the Bank is driven by the ALM Policy of the Bank and regulatory prescriptions. The Domestic and International Treasuries are apprising the liquidity position to the Asset Liability Management Committee (ALCO) of the Bank. The ALCO has been empowered by the Bank's Board to formulate the Bank's funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Bank. All the major decisions of ALCO are being reported to the Bank's Board subsequently. Besides daily/monthly LCR reporting, Bank also prepares daily Structural Liquidity statements to assess the liquidity needs of the Bank on an ongoing basis.
- The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, which are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future commitments.

## ii. Consolidated LCR

- The RBI through a supplementary guideline issued on March 31, 2015 had stipulated the implementation of LCR at a consolidated level from January 1, 2016 and accordingly, LCR has been computed at Group level. The entities covered in the Group LCR are SBI and seven Overseas Banking Subsidiaries (OBS) - Commercial Indo Bank LLC, Moscow, Nepal SBI Bank Ltd., State Bank of India (California), SBI Canada Bank, State Bank of India (Mauritius) Ltd, PT Bank SBI Indonesia and State Bank of India (UK) Ltd. and one Non Banking Subsidiary (NBS) - SBI Cards and Payment Services Ltd.
- SBI Group LCR comes to 130.62% as on 31<sup>st</sup> March 2024 based on average of three months January, February and March 2024, which is above the minimum regulatory requirement of 100%. The Group has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, and such funding sources are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future short-term requirements.

# Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## Group Liquidity Coverage Ratio (LCR) as on quarter ended 31.03.2024 (January-March, 2024)

(₹ in Crore)

| Liquidity Coverage Ratio (State Bank of India Group)                          |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
|-------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|-------------------------------------------------|-----------------------------------------|--------------------------------------------------|-----------------------------------------|---------------------------------------------|-----------------------------------------|----------------------------------------------|-----------------------------------------|
| GLCR COMPONENTS                                                               | Quarter ended<br>31 <sup>st</sup> March 2024 |                                         | Quarter ended<br>31 <sup>st</sup> December 2023 |                                         | Quarter ended<br>30 <sup>th</sup> September 2023 |                                         | Quarter ended<br>30 <sup>th</sup> June 2023 |                                         | Quarter ended<br>31 <sup>st</sup> March 2023 |                                         |
|                                                                               | Total<br>Unweighted<br>Value<br>(Average)**  | Total<br>Weighted<br>Value<br>(Average) | Total<br>Unweighted<br>Value<br>(Average)**     | Total<br>Weighted<br>Value<br>(Average) | Total<br>Unweighted<br>Value<br>(Average)**      | Total<br>Weighted<br>Value<br>(Average) | Total<br>Unweighted<br>Value<br>(Average)** | Total<br>Weighted<br>Value<br>(Average) | Total<br>Unweighted<br>Value<br>(Average)**  | Total<br>Weighted<br>Value<br>(Average) |
| <b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>                                      |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| 1. Total High Quality Liquid Assets (HQLA)                                    |                                              | 13,33,091                               |                                                 | 14,25,393                               |                                                  | 14,20,958                               |                                             | 13,19,419                               |                                              | 12,29,440                               |
| <b>CASH OUTFLOWS</b>                                                          |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| 2. Retail Deposits and deposits from small business customers, of which:      |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| i) Stable deposits                                                            | 9,83,580                                     | 49,179                                  | 9,73,218                                        | 48,661                                  | 9,53,708                                         | 47,685                                  | 9,32,369                                    | 46,618                                  | 9,16,870                                     | 45,844                                  |
| ii) Less Stable Deposits                                                      | 23,07,011                                    | 2,30,701                                | 22,58,617                                       | 2,25,862                                | 22,07,929                                        | 2,20,793                                | 21,53,165                                   | 2,15,317                                | 21,19,665                                    | 2,11,966                                |
| 3. Unsecured wholesale funding, of which:                                     |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| i) Operational deposits (all counterparties)                                  | 225                                          | 56                                      | 230                                             | 57                                      | 216                                              | 53                                      | 246                                         | 61                                      | 227                                          | 57                                      |
| ii) Non-operational deposits (all counterparties)                             | 12,76,114                                    | 7,49,851                                | 12,52,935                                       | 7,36,431                                | 12,22,809                                        | 7,10,853                                | 11,41,412                                   | 6,63,575                                | 10,52,154                                    | 6,09,695                                |
| iii) Unsecured debt                                                           | -                                            | -                                       | -                                               | -                                       | -                                                | -                                       | -                                           | -                                       | -                                            | -                                       |
| 4. Secured wholesale funding                                                  | 1,56,781                                     | 8,952                                   | 88,496                                          | 9,764                                   | 50,308                                           | 9,024                                   | 64,544                                      | 2,956                                   | 1,46,784                                     | 9,078                                   |
| 5. Additional requirements, of which                                          |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| i) Outflows related to derivative exposures and other collateral requirements | 4,13,228                                     | 4,13,228                                | 3,46,959                                        | 3,46,959                                | 3,64,624                                         | 3,64,624                                | 3,58,820                                    | 3,58,820                                | 3,92,411                                     | 3,92,411                                |
| ii) Outflows related to loss of funding on debt products                      | -                                            | -                                       | -                                               | -                                       | -                                                | -                                       | -                                           | -                                       | -                                            | -                                       |
| iii) Credit and liquidity facilities                                          | 1,20,142                                     | 36,444                                  | 1,19,177                                        | 36,489                                  | 1,08,542                                         | 34,105                                  | 87,089                                      | 20,170                                  | 82,077                                       | 14,673                                  |
| 6. Other contractual funding obligations                                      | 58,389                                       | 58,389                                  | 63,855                                          | 63,855                                  | 57,193                                           | 57,193                                  | 53,705                                      | 53,705                                  | 51,587                                       | 51,587                                  |
| 7. Other contingent funding obligations                                       | 9,52,861                                     | 38,103                                  | 9,68,061                                        | 38,559                                  | 9,33,228                                         | 37,392                                  | 9,28,795                                    | 37,103                                  | 7,96,945                                     | 30,779                                  |
| <b>8. Total Cash Outflows</b>                                                 | <b>62,68,331</b>                             | <b>15,84,903</b>                        | <b>60,71,548</b>                                | <b>15,06,636</b>                        | <b>58,98,557</b>                                 | <b>14,81,723</b>                        | <b>57,20,144</b>                            | <b>13,98,325</b>                        | <b>55,58,720</b>                             | <b>13,66,090</b>                        |
| <b>CASH INFLOWS</b>                                                           |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| 9. Secured lending (e.g. Reverse repos)                                       | 4,445                                        | -                                       | 8,722                                           | -                                       | 33,127                                           | -                                       | 27,901                                      | -                                       | 15,796                                       | -                                       |
| 10. Inflows from fully performing exposures                                   | 5,43,472                                     | 4,98,808                                | 4,57,008                                        | 4,20,686                                | 4,92,349                                         | 4,56,021                                | 4,93,482                                    | 4,59,482                                | 5,17,534                                     | 4,82,562                                |
| 11. Other cash inflows                                                        | 80,505                                       | 65,532                                  | 75,384                                          | 61,747                                  | 73,426                                           | 59,093                                  | 59,813                                      | 47,321                                  | 69,899                                       | 58,591                                  |
| <b>12. Total Cash Inflows</b>                                                 | <b>6,28,422</b>                              | <b>5,64,340</b>                         | <b>5,41,114</b>                                 | <b>4,82,433</b>                         | <b>5,98,901</b>                                  | <b>5,15,115</b>                         | <b>5,81,197</b>                             | <b>5,06,803</b>                         | <b>6,03,230</b>                              | <b>5,41,153</b>                         |
| <b>13. Total HQLA</b>                                                         |                                              | <b>13,33,091</b>                        |                                                 | <b>14,25,393</b>                        |                                                  | <b>14,20,958</b>                        |                                             | <b>13,19,419</b>                        |                                              | <b>12,29,440</b>                        |
| <b>14. Total Net Cash Outflows</b>                                            |                                              | <b>10,20,563</b>                        |                                                 | <b>10,24,203</b>                        |                                                  | <b>9,66,608</b>                         |                                             | <b>8,91,522</b>                         |                                              | <b>8,24,937</b>                         |
| <b>15. Liquidity Coverage Ratio(%)</b>                                        |                                              | <b>130.62%</b>                          |                                                 | <b>139.17%</b>                          |                                                  | <b>147.00%</b>                          |                                             | <b>148.00%</b>                          |                                              | <b>149.03%</b>                          |

\*\* Monthly average of 3 months data considered for Overseas Banking Subsidiaries, SBI Cards and Payment Services Ltd. and daily average considered for SBI (Solo).

The LCR data of SBI Cards and Payment Services Ltd. has been included in GLCR to align with the extant regulatory guidelines.

### c) Net Stable Funding Ratio:

#### i) Standalone Net Stable Funding Ratio:

Net Stable Funding Ratio (NSFR) guidelines ensure reduction in funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress. The NSFR is defined as the amount of Available Stable Funding relative to the amount of Required Stable Funding.

$$\text{NSFR} = \frac{\text{Available Stable Funding (ASF)}}{\text{Required Stable Funding (RSF)}} \geq 100\%$$

**Quantitative Disclosure:** The following tables contain unweighted and weighted values of NSFR components of SBI (Standalone) as at 31<sup>st</sup> March 2024, 31<sup>st</sup> December 2023, 30<sup>th</sup> September 2023 and 30<sup>th</sup> June 2023 (i.e. quarter end observations) :

(₹ in Crore)

| Net Stable Funding Ratio (State Bank of India - Standalone) |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------|-------------------|-----------|----------------|---------------------------------------|------------|-------------------|-----------|----------------|
| NSFR Components                                             |                                                                                                                                                                | Position as on 31.03.2024             |            |                   |           |                | Position as on 31.12.2023             |            |                   |           |                |
|                                                             |                                                                                                                                                                | Unweighted value by residual maturity |            |                   |           | Weighted value | Unweighted value by residual maturity |            |                   |           | Weighted value |
|                                                             |                                                                                                                                                                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                |
| ASF ITEM                                                    |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 1.                                                          | Capital: (2+3)                                                                                                                                                 | 3,77,247                              | 3,105      | 3,814             | 79,838    | 4,64,004       | 368954                                | 1251       | 6918              | 76382     | 453506         |
| 2.                                                          | Regulatory capital                                                                                                                                             | 3,58,705                              | 3105       | 3814              | 79,838    | 4,45,462       | 350340                                | 1251       | 6918              | 76,382    | 4,34,892       |
| 3.                                                          | Other capital instruments                                                                                                                                      | 18,542                                | -          | -                 | -         | 18,542         | 18,614                                | -          | -                 | -         | 18,614         |
| 4.                                                          | Retail deposits and deposits from small business customers: (5+6)                                                                                              | 16,02,459                             | 5,88,512   | 6,22,429          | 5,49,524  | 30,74,694      | 15,93,150                             | 5,94,165   | 6,10,677          | 5,64,644  | 30,75,423      |
| 5.                                                          | Stable deposits                                                                                                                                                | 4,43,077                              | 1,82,809   | 1,93,742          | 1,41,632  | 9,13,196       | 4,69,216                              | 1,68,175   | 1,96,319          | 1,47,299  | 9,31,958       |
| 6.                                                          | Less stable deposits                                                                                                                                           | 11,59,382                             | 4,05,703   | 4,28,687          | 4,07,892  | 21,61,498      | 11,23,934                             | 4,25,990   | 4,14,358          | 4,17,345  | 21,43,465      |
| 7.                                                          | Wholesale funding: (8+9)                                                                                                                                       | 3,08,566                              | 3,15,640   | 3,35,541          | 3,90,725  | 8,36,607       | 2,99,886                              | 3,27,831   | 3,19,336          | 3,73,219  | 8,11,311       |
| 8.                                                          | Operational deposits                                                                                                                                           | -                                     | -          | -                 | -         | -              | -                                     | -          | -                 | -         | -              |
| 9.                                                          | Other wholesale funding                                                                                                                                        | 3,08,566                              | 3,15,640   | 3,35,541          | 3,90,725  | 8,36,607       | 2,99,886                              | 3,27,831   | 3,19,336          | 3,73,219  | 8,11,311       |
| 10.                                                         | Other liabilities: (11+12)                                                                                                                                     | 8,85,327                              | 2,12,541   | 4,531             | 12,859    |                | 7,44,511                              | 2,60,828   | 45,509            | 9,680     | -              |
| 11.                                                         | NSFR derivative liabilities                                                                                                                                    |                                       | 624        | 653               | 1,378     |                |                                       | 708        | 1,086             | 1,114     |                |
| 12.                                                         | All other liabilities and equity not included in the above categories                                                                                          | 8,85,327                              | 2,11,917   | 3,878             | 11,481    | -              | 7,44,511                              | 2,60,120   | 44,423            | 8,566     | -              |
| 13.                                                         | Total ASF (1+4+7+10)                                                                                                                                           | 43,75,305                             |            |                   |           |                | 43,40,239                             |            |                   |           |                |
| RSF ITEM                                                    |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 14.                                                         | Total NSFR high-quality liquid assets (HQLA)                                                                                                                   | 76,912                                |            |                   |           |                | 79,791                                |            |                   |           |                |
| 15.                                                         | Deposits held at other financial institutions for operational purposes                                                                                         | 15,926                                | 38,182     | -                 | 1,770     | 27,939         | 23,931                                | 31,581     | -                 | 3,413     | 29,462         |
| 16.                                                         | Performing loans and securities: (17+18+19+21+23)                                                                                                              | -                                     | 7,41,608   | 2,85,179          | 9,45,957  | 10,87,120      | -                                     | 7,70,941   | 2,48,070          | 9,42,614  | 10,75,705      |
| 17.                                                         | Performing loans to financial institutions secured by Level 1 HQLA                                                                                             | -                                     | 26,311     | -                 | -         | 2,631          | -                                     | 5,069      | -                 | -         | 506            |
| 18.                                                         | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions                                | -                                     | 1,42,006   | -                 | -         | 21,301         | -                                     | 1,84,457   | -                 | -         | 27,669         |
| 19.                                                         | Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which: | -                                     | 5,73,291   | 2,85,179          | 4,82,649  | 7,42,957       | -                                     | 5,81,415   | 2,48,070          | 4,77,209  | 7,24,928       |
| 20.                                                         | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                       | -                                     | -          | -                 | 4,82,649  | 3,13,722       | -                                     | -          | -                 | 4,77,209  | 3,10,186       |
| 21.                                                         | Performing residential mortgages, of which:                                                                                                                    | -                                     | -          | -                 | 3,67,902  | 2,39,137       | -                                     | -          | -                 | 3,64,964  | 2,37,227       |
| 22.                                                         | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                       | -                                     | -          | -                 | 3,67,902  | 2,39,137       | -                                     | -          | -                 | 3,64,964  | 2,37,227       |
| 23.                                                         | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities                                                              | -                                     | -          | -                 | 95,406    | 81,094         | -                                     | -          | -                 | 1,00,441  | 85,375         |
| 24.                                                         | Other assets: (sum of rows 25 to 29)                                                                                                                           | 13,85,530                             | 58,989     | 9,104             | 13,11,076 | 26,06,594      | 13,17,421                             | 72,023     | 6,613             | 12,84,789 | 25,22,006      |
| 25.                                                         | Physical traded commodities, including gold                                                                                                                    | 53                                    |            |                   |           | 45             | -                                     |            |                   |           | -              |
| 26.                                                         | Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs                                                            |                                       | -          | -                 | -         | 1,092          |                                       | -          | -                 | -         | 1,092          |
| 27.                                                         | NSFR derivative assets                                                                                                                                         |                                       | -          | -                 | 2,439     | 1,363          |                                       | -          | -                 | 2,980     | 1,491          |
| 28.                                                         | NSFR derivative liabilities before deduction of variation margin posted                                                                                        |                                       | 86         | 70                | 369       | 525            |                                       | 92         | 90                | 375       | 557            |
| 29.                                                         | All other assets not included in the above categories                                                                                                          | 13,85,477                             | 58,903     | 9,034             | 13,08,268 | 26,03,569      | 13,17,421                             | 71,931     | 6,523             | 12,81,434 | 25,18,866      |
| 30.                                                         | Off-balance sheet items                                                                                                                                        |                                       | 10,65,598  | -                 | -         | 43,665         |                                       | 10,62,210  | -                 | -         | 43,368         |
| 31.                                                         | Total RSF (14+15+16+24+30)                                                                                                                                     |                                       |            |                   |           | 38,42,230      |                                       |            |                   |           | 37,50,332      |
| 32.                                                         | Net Stable Funding Ratio (%)                                                                                                                                   |                                       |            |                   |           | 113.87%        |                                       |            |                   |           | 115.73%        |

# Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

(₹ in Crore)

| Net Stable Funding Ratio (State Bank of India - Standalone) |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------|-------------------|-----------|----------------|---------------------------------------|------------|-------------------|-----------|----------------|
| NSFR Components                                             |                                                                                                                                                                | Position as on 30.09.2023             |            |                   |           |                | Position as on 30.06.2023             |            |                   |           |                |
|                                                             |                                                                                                                                                                | Unweighted value by residual maturity |            |                   |           | Weighted value | Unweighted value by residual maturity |            |                   |           | Weighted value |
|                                                             |                                                                                                                                                                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                |
| ASF ITEM                                                    |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 1)                                                          | Capital: (2+3)                                                                                                                                                 | 3,59,227                              | 6,066      | 4,356             | 79,812    | 4,49,461       | 3,44,442                              | 6,066      | 1,251             | 79,815    | 4,31,574       |
| 2)                                                          | Regulatory capital                                                                                                                                             | 3,40,726                              | 6,066      | 4,356             | 79,812    | 4,30,960       | 3,26,027                              | 6,066      | 1,251             | 79,815    | 4,13,160       |
| 3)                                                          | Other capital instruments                                                                                                                                      | 18,501                                | -          | -                 | -         | 18,501         | 18,415                                | -          | -                 | -         | 18,414         |
| 4)                                                          | Retail deposits and deposits from small business customers: (5+6)                                                                                              | 15,81,038                             | 4,82,640   | 6,16,804          | 5,79,247  | 29,82,405      | 15,56,003                             | 4,72,015   | 5,75,441          | 5,78,423  | 29,11,115      |
| 5)                                                          | Stable deposits                                                                                                                                                | 4,69,703                              | 1,48,135   | 2,01,913          | 1,53,228  | 9,24,330       | 4,58,943                              | 1,47,638   | 1,86,444          | 1,55,402  | 9,01,006       |
| 6)                                                          | Less stable deposits                                                                                                                                           | 11,11,335                             | 3,34,505   | 4,14,891          | 4,26,019  | 20,58,075      | 10,97,060                             | 3,24,377   | 3,88,997          | 4,23,021  | 20,10,109      |
| 7)                                                          | Wholesale funding: (8+9)                                                                                                                                       | 2,82,954                              | 3,79,559   | 3,44,413          | 4,34,291  | 8,86,297       | 2,94,031                              | 3,54,638   | 3,02,464          | 4,74,994  | 9,07,477       |
| 8)                                                          | Operational deposits                                                                                                                                           | -                                     | -          | -                 | -         | -              | -                                     | -          | -                 | -         | -              |
| 9)                                                          | Other wholesale funding                                                                                                                                        | 2,82,954                              | 3,79,559   | 3,44,413          | 4,34,291  | 8,86,297       | 2,94,031                              | 3,54,638   | 3,02,464          | 4,74,994  | 9,07,477       |
| 10)                                                         | Other liabilities: (11+12)                                                                                                                                     | 7,61,016                              | 1,32,216   | 27,349            | 11,884    | -              | 7,33,067                              | 1,26,422   | 33,712            | 31,342    | -              |
| 11)                                                         | NSFR derivative liabilities                                                                                                                                    |                                       | 1,466      | 824               | 2,118     |                |                                       | 33         | 1,046             | -         |                |
| 12)                                                         | All other liabilities and equity not included in the above categories                                                                                          | 7,61,016                              | 1,30,750   | 26,525            | 9,766     | -              | 7,33,067                              | 1,26,389   | 32,666            | 31,342    | -              |
| 13)                                                         | Total ASF (1+4+7+10)                                                                                                                                           | 43,18,163                             |            |                   |           |                | 42,50,166                             |            |                   |           |                |
| RSF ITEM                                                    |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 14)                                                         | Total NSFR high-quality liquid assets (HQLA)                                                                                                                   | 83,488                                |            |                   |           |                | 77,061                                |            |                   |           |                |
| 15)                                                         | Deposits held at other financial institutions for operational purposes                                                                                         | 20,897                                | 37,539     | -                 | 3,177     | 30,807         | 14,717                                | 41,720     | -                 | 2,445     | 29,441         |
| 16)                                                         | Performing loans and securities: (17+18+19+21+23)                                                                                                              | -                                     | 7,29,046   | 2,22,536          | 5,63,980  | 7,96,109       | 5,787                                 | 6,60,675   | 2,49,766          | 6,06,999  | 8,22,041       |
| 17)                                                         | Performing loans to financial institutions secured by Level 1 HQLA                                                                                             | -                                     | 30,426     | -                 | -         | 3,043          | -                                     | 6,934      | -                 | -         | 693            |
| 18)                                                         | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions                                | -                                     | 1,55,660   | -                 | -         | 23,349         | -                                     | 1,41,433   | -                 | -         | 21,215         |
| 19)                                                         | Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which: | -                                     | 5,42,960   | 2,22,536          | 2,60,200  | 5,51,878       | -                                     | 5,12,308   | 2,49,766          | 2,94,740  | 5,72,619       |
| 20)                                                         | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                       | -                                     | -          | -                 | 2,60,200  | 1,69,130       | -                                     | -          | -                 | 2,94,740  | 1,91,581       |
| 21)                                                         | Performing residential mortgages, of which:                                                                                                                    | -                                     | -          | -                 | 2,01,867  | 1,31,213       | -                                     | -          | -                 | 2,14,124  | 1,39,181       |
| 22)                                                         | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                       | -                                     | -          | -                 | 2,01,867  | 1,31,213       | -                                     | -          | -                 | 2,14,124  | 1,39,181       |
| 23)                                                         | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities                                                              | -                                     | -          | -                 | 1,01,913  | 86,626         | 5,787                                 | -          | -                 | 98,135    | 88,333         |
| 24)                                                         | Other assets: (sum of rows 25 to 29)                                                                                                                           | 12,02,987                             | 72,127     | 4,092             | 15,85,817 | 26,58,137      | 13,00,570                             | 49,832     | 3,383             | 14,92,735 | 26,46,725      |
| 25)                                                         | Physical traded commodities, including gold                                                                                                                    | -                                     |            |                   |           | -              | -                                     |            |                   |           | -              |
| 26)                                                         | Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs                                                            |                                       | -          | -                 | -         | 1,603          |                                       | -          | -                 | -         | 1,088          |
| 27)                                                         | NSFR derivative assets                                                                                                                                         |                                       | -          | 36                | 2,336     | 56             |                                       | 238        | -                 | 828       | 20             |
| 28)                                                         | NSFR derivative liabilities before deduction of variation margin posted                                                                                        |                                       | 145        | 80                | 546       | 771            |                                       | 2,073      | 741               | 2,602     | 5,416          |
| 29)                                                         | All other assets not included in the above categories                                                                                                          | 12,02,987                             | 71,982     | 3,976             | 15,82,935 | 26,55,707      | 13,00,570                             | 47,521     | 2,642             | 14,89,305 | 26,40,201      |
| 30)                                                         | Off-balance sheet items                                                                                                                                        | 10,67,040                             |            |                   |           |                | 10,24,700                             |            |                   |           |                |
| 31)                                                         | Total RSF (14+15+16+24+30)                                                                                                                                     | 36,12,528                             |            |                   |           |                | 36,17,360                             |            |                   |           |                |
| 32)                                                         | Net Stable Funding Ratio (%)                                                                                                                                   | 119.53%                               |            |                   |           |                | 117.49%                               |            |                   |           |                |

In accordance with RBI guidelines vide circular No. RBI/2017-18/178, DBR.BP.BC.No.106/21.04.098/2017-18 dated 17<sup>th</sup> May 2018, the quarter end observations are presented in the template above. The ASF items pertaining to capital have been reclassified to align with the extant regulatory guideline.

Bank's NSFR comes to 113.87% as at the end of Q4 FY2024 and is above the minimum regulatory requirement of 100% stipulated in the RBI guidelines effective from 01<sup>st</sup> October 2021. As on 31<sup>st</sup> March 2024, the position of Available Stable Funding (ASF) stood at ₹43,75,305 Crore and Required Stable Funding (RSF) stood at ₹38,42,230 Crore. There was an increase in the values of total ASF and increase in the values of total RSF over 31<sup>st</sup> December 2023. ASF is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered for the NSFR. RSF of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as its Off-Balance Sheet (OBS) exposures.

Liquidity Management in the Bank is driven by the Bank's ALM Policy and regulatory guidelines. The Domestic and International Treasuries are reporting to the Asset Liability Management Committee (ALCO). ALCO has been empowered by the Bank's Board to formulate the funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Bank. All major decisions of ALCO are being reported to the Bank's Board periodically.

The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, which are well diversified. Management is of the view that the Bank has got sufficient liquidity to meet its immediate / likely future requirements.

## **ii) Consolidated Net Stable Funding Ratio**

The RBI guidelines stipulated the implementation of NSFR at a consolidated level from December 2021 quarter and accordingly, NSFR has been computed at Group level.

The entities covered in the Group NSFR are SBI and seven Overseas Banking Subsidiaries. Commercial Indo Bank LLC, Moscow, Nepal SBI Bank Ltd., State Bank of India (California), SBI Canada Bank, State Bank of India (Mauritius) Ltd, PT Bank SBI Indonesia and State Bank of India (UK) Ltd.

SBI Group NSFR comes to 114.11% as on 31<sup>st</sup> March 2024 which is above the minimum regulatory requirement of 100%.

Available stable funding (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The Required stable funding (RSF) of a specific group is a function of the liquidity characteristics and residual maturities of the various assets held by that group as well as those of its Off-Balance Sheet (OBS) exposures.

# Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

(₹ in Crore)

| NET STABLE FUNDING RATIO (State Bank of India Group) |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------|-------------------|-----------|----------------|---------------------------------------|------------|-------------------|-----------|----------------|
| Statements for the Quarter ending                    |                                                                                                                                                                | 31 <sup>st</sup> March 2024           |            |                   |           |                | 31 <sup>st</sup> December 2023        |            |                   |           |                |
|                                                      |                                                                                                                                                                | Unweighted value by residual maturity |            |                   |           | Weighted value | Unweighted value by residual maturity |            |                   |           | Weighted value |
| NSFR Components                                      |                                                                                                                                                                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                |
| ASF ITEM                                             |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 1)                                                   | Capital: (2+3)                                                                                                                                                 | 3,85,707                              | 3,105      | 3,814             | 89,039    | 4,81,664       | 3,77,578                              | 1,251      | 6,918             | 85,228    | 4,70,976       |
| 2)                                                   | Regulatory capital                                                                                                                                             | 3,67,165                              | 3,105      | 3,814             | 82,098    | 4,56,182       | 3,58,964                              | 1,251      | 6,918             | 78,466    | 4,45,600       |
| 3)                                                   | Other capital instruments                                                                                                                                      | 18,542                                | -          | -                 | 6,941     | 25,482         | 18,614                                | -          | -                 | 6,762     | 25,375         |
| 4)                                                   | Retail deposits and deposits from small business customers: (5+6)                                                                                              | 16,20,936                             | 5,95,749   | 6,30,122          | 5,50,270  | 31,06,637      | 16,11,259                             | 6,02,215   | 6,16,776          | 5,65,383  | 31,06,308      |
| 5)                                                   | Stable deposits                                                                                                                                                | 4,57,467                              | 1,87,161   | 1,98,364          | 1,42,369  | 9,36,094       | 4,83,405                              | 1,73,065   | 2,00,268          | 1,48,032  | 9,54,532       |
| 6)                                                   | Less stable deposits                                                                                                                                           | 11,63,469                             | 4,08,587   | 4,31,757          | 4,07,901  | 21,70,543      | 11,27,854                             | 4,29,150   | 4,16,508          | 4,17,351  | 21,51,776      |
| 7)                                                   | Wholesale funding: (8+9)                                                                                                                                       | 3,10,638                              | 3,18,836   | 3,38,710          | 3,90,725  | 8,40,826       | 3,01,852                              | 3,33,508   | 3,22,213          | 3,73,219  | 8,16,570       |
| 8)                                                   | Less stable non-maturity deposits and term deposits with residual maturity of less than one year provided by retail and small business customers               | -                                     | -          | -                 | -         | -              | -                                     | -          | -                 | -         | -              |
| 9)                                                   | Other wholesale funding                                                                                                                                        | 3,10,638                              | 3,18,836   | 3,38,710          | 3,90,725  | 8,40,826       | 3,01,852                              | 3,33,508   | 3,22,213          | 3,73,219  | 8,16,570       |
| 10)                                                  | Other liabilities: (11+12)                                                                                                                                     | 8,86,573                              | 2,18,109   | 4,531             | 12,859    | -              | 7,45,870                              | 2,64,532   | 45,509            | 9,680     | -              |
| 11)                                                  | NSFR derivative liabilities                                                                                                                                    |                                       | 624        | 653               | 1,378     |                |                                       | 708        | 1,086             | 1,113     |                |
| 12)                                                  | All other liabilities and equity not included in the above categories                                                                                          | 8,86,573                              | 2,17,485   | 3,878             | 11,481    | -              | 7,45,870                              | 2,63,824   | 44,423            | 8,566     | -              |
| 13)                                                  | Total ASF (1+4+7+10)                                                                                                                                           |                                       |            |                   |           | 44,29,127      |                                       |            |                   |           | 43,93,854      |
| RSF ITEM                                             |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 14)                                                  | Total NSFR high-quality liquid assets (HQLA)                                                                                                                   |                                       |            |                   |           | 77,865         |                                       |            |                   |           | 80,709         |
| 15)                                                  | Deposits held at other financial institutions for operational purposes                                                                                         | 16,329                                | 38,182     | 1,249             | 1,770     | 28,765         | 24,553                                | 31,581     | 1,331             | 3,413     | 30,439         |
| 16)                                                  | Performing loans and securities: (17+18+19+21+23)                                                                                                              | 32                                    | 7,47,666   | 2,87,215          | 9,78,582  | 11,16,083      | 32                                    | 7,77,069   | 2,50,744          | 9,74,322  | 11,04,128      |
| 17)                                                  | Performing loans to financial institutions secured by Level 1 HQLA                                                                                             | -                                     | 26,311     | -                 | -         | 2,631          | -                                     | 5,069      | -                 | -         | 507            |
| 18)                                                  | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions                                | -                                     | 1,44,984   | -                 | -         | 21,748         | -                                     | 1,87,918   | -                 | -         | 28,188         |
| 19)                                                  | Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which: | 32                                    | 5,76,371   | 2,87,215          | 4,84,458  | 7,46,722       | 32                                    | 5,84,082   | 2,50,744          | 4,78,737  | 7,28,622       |
| 20)                                                  | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                       | -                                     | 167        | -                 | 4,84,395  | 3,14,965       | -                                     | 166        | -                 | 4,78,668  | 3,11,242       |
| 21)                                                  | Performing residential mortgages, of which:                                                                                                                    | -                                     | -          | -                 | 3,97,370  | 2,62,741       | -                                     | -          | -                 | 3,93,846  | 2,60,332       |
| 22)                                                  | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                       | -                                     | -          | -                 | 3,90,158  | 2,58,054       | -                                     | -          | -                 | 3,86,627  | 2,55,640       |
| 23)                                                  | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities                                                              | -                                     | -          | -                 | 96,754    | 82,241         | -                                     | -          | -                 | 1,01,739  | 86,478         |
| 24)                                                  | Other assets: (sum of rows 25 to 29)                                                                                                                           | 13,85,866                             | 59,012     | 9,104             | 13,18,896 | 26,14,772      | 13,17,835                             | 72,935     | 6,988             | 12,91,819 | 25,30,737      |
| 25)                                                  | Physical traded commodities, including gold                                                                                                                    | 53                                    |            |                   |           | 45             | -                                     |            |                   |           | -              |
| 26)                                                  | Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs                                                            |                                       | -          | -                 | -         | 1,092          |                                       | -          | -                 | -         | 1,092          |
| 27)                                                  | NSFR derivative assets                                                                                                                                         |                                       | 22         | -                 | 2,439     | 1,387          |                                       | 19         | -                 | 2,980     | 1,540          |
| 28)                                                  | NSFR derivative liabilities before deduction of variation margin posted                                                                                        |                                       | 86         | 70                | 369       | 525            |                                       | 93         | 90                | 375       | 557            |
| 29)                                                  | All other assets not included in the above categories                                                                                                          | 13,85,813                             | 58,903     | 9,034             | 13,16,088 | 26,11,723      | 13,17,835                             | 72,823     | 6,898             | 12,88,465 | 25,27,547      |
| 30)                                                  | Off-balance sheet items                                                                                                                                        |                                       | 10,67,971  | -                 | -         | 43,956         |                                       | 10,63,957  | -                 | -         | 43,612         |
| 31)                                                  | Total RSF (14+15+16+24+30)                                                                                                                                     |                                       |            |                   |           | 38,81,441      |                                       |            |                   |           | 37,89,625      |
| 32)                                                  | Net Stable Funding Ratio (%)                                                                                                                                   |                                       |            |                   |           | 114.11%        |                                       |            |                   |           | 115.94%        |

(₹ in Crore)

| NET STABLE FUNDING RATIO (State Bank of India Group) |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------|-------------------|-----------|----------------|---------------------------------------|------------|-------------------|-----------|----------------|
| Statements for the Quarter ending                    |                                                                                                                                                                | 30 <sup>th</sup> September 2023       |            |                   |           |                | 30 <sup>th</sup> June 2023            |            |                   |           |                |
| NSFR Components                                      |                                                                                                                                                                | Unweighted value by residual maturity |            |                   |           | Weighted value | Unweighted value by residual maturity |            |                   |           | Weighted value |
|                                                      |                                                                                                                                                                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                |
| ASF ITEM                                             |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 1)                                                   | Capital: (2+3)                                                                                                                                                 | 3,67,558                              | 6,066      | 4,356             | 88,878    | 4,66,859       | 3,52,523                              | 6,066      | 1,251             | 88,577    | 4,48,418       |
| 2)                                                   | Regulatory capital                                                                                                                                             | 3,49,057                              | 6,066      | 4,356             | 81,692    | 4,41,171       | 3,34,108                              | 6,066      | 1,251             | 81,606    | 4,23,032       |
| 3)                                                   | Other capital instruments                                                                                                                                      | 18,501                                | -          | -                 | 7,187     | 25,688         | 18,415                                | -          | -                 | 6,971     | 25,386         |
| 4)                                                   | Retail deposits and deposits from small business customers: (5+6)                                                                                              | 15,97,765                             | 4,91,800   | 6,21,235          | 5,79,950  | 30,11,374      | 15,74,388                             | 4,80,238   | 5,81,219          | 5,79,160  | 29,41,999      |
| 5)                                                   | Stable deposits                                                                                                                                                | 4,82,164                              | 1,52,805   | 2,05,104          | 1,53,921  | 9,44,294       | 4,72,037                              | 1,51,130   | 1,90,593          | 1,56,126  | 9,21,391       |
| 6)                                                   | Less stable deposits                                                                                                                                           | 11,15,600                             | 3,38,995   | 4,16,131          | 4,26,029  | 20,67,080      | 11,02,351                             | 3,29,108   | 3,90,626          | 4,23,034  | 20,20,607      |
| 7)                                                   | Wholesale funding: (8+9)                                                                                                                                       | 2,85,234                              | 3,84,985   | 3,46,576          | 4,34,291  | 8,91,232       | 2,95,029                              | 3,57,120   | 3,07,079          | 4,74,994  | 9,11,525       |
| 8)                                                   | Less stable non-maturity deposits and term deposits with residual maturity of less than one year provided by retail and small business customers               | -                                     | -          | -                 | -         | -              | -                                     | -          | -                 | -         | -              |
| 9)                                                   | Other wholesale funding                                                                                                                                        | 2,85,234                              | 3,84,985   | 3,46,576          | 4,34,291  | 8,91,232       | 2,95,029                              | 3,57,120   | 3,07,079          | 4,74,994  | 9,11,525       |
| 10)                                                  | Other liabilities: (11+12)                                                                                                                                     | 7,62,037                              | 1,35,889   | 27,349            | 11,884    | -              | 7,34,210                              | 1,29,762   | 33,712            | 31,342    | -              |
| 11)                                                  | NSFR derivative liabilities                                                                                                                                    |                                       | 1,467      | 824               | 2,118     |                |                                       | 33         | 1,046             | -         |                |
| 12)                                                  | All other liabilities and equity not included in the above categories                                                                                          | 7,62,037                              | 1,34,423   | 26,525            | 9,766     | -              | 7,34,210                              | 1,29,729   | 32,666            | 31,342    | -              |
| 13)                                                  | Total ASF (1+4+7+10)                                                                                                                                           |                                       |            |                   |           | 43,69,465      |                                       |            |                   |           | 43,01,942      |
| RSF ITEM                                             |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 14)                                                  | Total NSFR high-quality liquid assets (HQLA)                                                                                                                   |                                       |            |                   |           | 84,579         |                                       |            |                   |           | 78,114         |
| 15)                                                  | Deposits held at other financial institutions for operational purposes                                                                                         | 21,430                                | 37,539     | 1,384             | 3,177     | 31,765         | 15,511                                | 41,720     | 1,702             | 2,445     | 30,689         |
| 16)                                                  | Performing loans and securities: (17+18+19+21+23)                                                                                                              | 138                                   | 7,36,006   | 2,24,071          | 5,92,912  | 8,22,318       | 5,815                                 | 6,65,381   | 2,52,029          | 6,37,245  | 8,48,934       |
| 17)                                                  | Performing loans to financial institutions secured by Level 1 HQLA                                                                                             | -                                     | 30,426     | -                 | -         | 3,043          | -                                     | 6,934      | -                 | -         | 693            |
| 18)                                                  | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions                                | 108                                   | 1,58,595   | -                 | -         | 23,806         | -                                     | 1,43,533   | -                 | -         | 21,530         |
| 19)                                                  | Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which: | 30                                    | 5,46,984   | 2,24,071          | 2,61,648  | 5,55,628       | 28                                    | 5,14,914   | 2,52,029          | 2,95,906  | 5,75,835       |
| 20)                                                  | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                       | -                                     | 165        | -                 | 2,61,576  | 1,70,131       | -                                     | 166        | -                 | 2,95,811  | 1,92,385       |
| 21)                                                  | Performing residential mortgages, of which:                                                                                                                    | -                                     | -          | -                 | 2,27,920  | 1,52,000       | -                                     | -          | -                 | 2,41,402  | 1,61,011       |
| 22)                                                  | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                       | -                                     | -          | -                 | 2,21,128  | 1,47,585       | -                                     | -          | -                 | 2,34,621  | 1,56,603       |
| 23)                                                  | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities                                                              | -                                     | -          | -                 | 1,03,343  | 87,842         | 5,787                                 | -          | -                 | 99,937    | 89,865         |
| 24)                                                  | Other assets: (sum of rows 25 to 29)                                                                                                                           | 12,03,303                             | 72,306     | 5,033             | 15,93,596 | 26,67,352      | 13,00,898                             | 50,092     | 4,281             | 14,99,593 | 26,55,069      |
| 25)                                                  | Physical traded commodities, including gold                                                                                                                    | -                                     |            |                   |           | -              | -                                     |            |                   |           | -              |
| 26)                                                  | Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs                                                            |                                       | -          | -                 | -         | 1,603          |                                       | -          | -                 | -         | 1,088          |
| 27)                                                  | NSFR derivative assets                                                                                                                                         |                                       | -          | 36                | 2,336     | 59             |                                       | 316        | -                 | 828       | 112            |
| 28)                                                  | NSFR derivative liabilities before deduction of variation margin posted                                                                                        |                                       | 145        | 80                | 546       | 771            |                                       | 2,073      | 741               | 2,602     | 5,416          |
| 29)                                                  | All other assets not included in the above categories                                                                                                          | 12,03,303                             | 72,161     | 4,917             | 15,90,714 | 26,64,920      | 13,00,898                             | 47,703     | 3,540             | 14,96,163 | 26,48,453      |
| 30)                                                  | Off-balance sheet items                                                                                                                                        |                                       | 10,68,619  | -                 | -         | 44,240         |                                       | 10,26,147  | -                 | -         | 42,299         |
| 31)                                                  | Total RSF (14+15+16+24+30)                                                                                                                                     |                                       |            |                   |           | 36,50,255      |                                       |            |                   |           | 36,55,104      |
| 32)                                                  | Net Stable Funding Ratio (%)                                                                                                                                   |                                       |            |                   |           | 119.70%        |                                       |            |                   |           | 117.70%        |

In accordance with RBI guidelines vide Circular No. RBI/2017-18/178, DBR.BP.BC.No.106/21.04.098/2017-18 dated 17-May-2018, quarter end observations are presented in the template above. The ASF items pertaining to capital and deposits have been reclassified to align with the extant instructions pertaining to financial reporting and disclosures.

Note: The above figures have been compiled based on the management certified figures of overseas banking subsidiaries (which have not been subject to review/audit) and relevant records of State Bank of India (Solo).

# Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## 18.3. INVESTMENTS

### a. Composition of investment portfolio:

Current Year

| Composition of investments<br>as at 31st March 2024   | Investments In India     |                                 |                 |                         |                                        |                  | Investments outside India        |                                                                 |                                        | (₹ in Crore)     |                                          |
|-------------------------------------------------------|--------------------------|---------------------------------|-----------------|-------------------------|----------------------------------------|------------------|----------------------------------|-----------------------------------------------------------------|----------------------------------------|------------------|------------------------------------------|
|                                                       | Government<br>Securities | Other<br>Approved<br>Securities | Shares          | Debentures<br>and Bonds | Subsidiaries<br>&/or Joint<br>Ventures | Others           | Total<br>investments<br>in India | Government<br>Securities<br>(including<br>Local<br>Authorities) | Subsidiaries<br>&/or Joint<br>Ventures | Others           | Total<br>investments<br>outside<br>India |
| <b>Held to Maturity</b>                               |                          |                                 |                 |                         |                                        |                  |                                  |                                                                 |                                        |                  |                                          |
| Gross                                                 | 10,65,696.16             | -                               | 8.00            | 16,620.41               | 7,792.63                               | 1,580.00         | 10,91,697.20                     | 778.07                                                          | 5,680.22                               | 133.90           | 6,592.19                                 |
| Less: Provision for non-performing investments (NPI)  | -                        | -                               | 8.00            | -                       | 42.87                                  | 112.05           | 162.92                           | -                                                               | -                                      | 6.66             | 6.66                                     |
| <b>Net</b>                                            | <b>10,65,696.16</b>      | <b>-</b>                        | <b>-</b>        | <b>16,620.41</b>        | <b>7,749.76</b>                        | <b>1,467.95</b>  | <b>10,91,534.28</b>              | <b>778.07</b>                                                   | <b>5,680.22</b>                        | <b>127.24</b>    | <b>6,585.53</b>                          |
| <b>Available for Sale</b>                             |                          |                                 |                 |                         |                                        |                  |                                  |                                                                 |                                        |                  |                                          |
| Gross                                                 | 2,94,170.75              | -                               | 7,994.55        | 1,62,615.06             | 7,810.00                               | 43,921.54        | 5,16,511.90                      | 31,226.31                                                       | -                                      | 29,543.88        | 60,770.19                                |
| Less: Provision for depreciation and NPI              | 8.42                     | -                               | 795.28          | 2,349.66                | -                                      | 6,452.17         | 9,605.53                         | 324.56                                                          | -                                      | 775.11           | 1,099.67                                 |
| <b>Net</b>                                            | <b>2,94,162.33</b>       | <b>-</b>                        | <b>7,199.27</b> | <b>1,60,265.40</b>      | <b>7,810.00</b>                        | <b>37,469.37</b> | <b>5,06,906.37</b>               | <b>30,901.75</b>                                                | <b>-</b>                               | <b>28,768.77</b> | <b>59,670.52</b>                         |
| <b>Held for Trading</b>                               |                          |                                 |                 |                         |                                        |                  |                                  |                                                                 |                                        |                  |                                          |
| Gross                                                 | 5,881.70                 | -                               | -               | 761.26                  | -                                      | -                | 6,642.96                         | -                                                               | -                                      | -                | 6,642.96                                 |
| Less: Provision for depreciation and NPI              | -                        | -                               | -               | -                       | -                                      | -                | -                                | -                                                               | -                                      | -                | -                                        |
| <b>Net</b>                                            | <b>5,881.70</b>          | <b>-</b>                        | <b>-</b>        | <b>761.26</b>           | <b>-</b>                               | <b>-</b>         | <b>6,642.96</b>                  | <b>-</b>                                                        | <b>-</b>                               | <b>-</b>         | <b>6,642.96</b>                          |
| <b>Total Investments</b>                              |                          |                                 |                 |                         |                                        |                  |                                  |                                                                 |                                        |                  |                                          |
| Gross                                                 | 13,65,748.61             | -                               | 8,002.55        | 1,79,996.73             | 15,602.63                              | 45,501.54        | 16,14,852.06                     | 32,004.38                                                       | 5,680.22                               | 29,677.78        | 67,362.38                                |
| Less: Provision for non-performing investments (NPI)* | -                        | -                               | 692.30          | 1,128.62                | -                                      | -                | 1,820.82                         | -                                                               | -                                      | -                | 1,820.82                                 |
| Less: Provision for depreciation*                     | 8.42                     | -                               | 110.98          | 1,221.14                | 42.87                                  | 6,564.22         | 7,947.63                         | 324.56                                                          | -                                      | 781.77           | 1,106.33                                 |
| <b>Net</b>                                            | <b>13,65,740.19</b>      | <b>-</b>                        | <b>7,199.27</b> | <b>1,77,647.07</b>      | <b>15,559.76</b>                       | <b>38,937.32</b> | <b>16,05,083.61</b>              | <b>31,679.82</b>                                                | <b>5,680.22</b>                        | <b>28,896.01</b> | <b>66,256.05</b>                         |
| <b>16,71,339.66</b>                                   |                          |                                 |                 |                         |                                        |                  |                                  |                                                                 |                                        |                  |                                          |

\* includes LICRA



## Previous Year

| Composition of Investments<br>as at 31st March 2023    | Investments In India  |                           |                  |                      |                                  |                  |                            | Investments outside India                           |                                  |                  | Whole Bank                      |                     |
|--------------------------------------------------------|-----------------------|---------------------------|------------------|----------------------|----------------------------------|------------------|----------------------------|-----------------------------------------------------|----------------------------------|------------------|---------------------------------|---------------------|
|                                                        | Government Securities | Other Approved Securities | Shares           | Debentures and Bonds | Subsidiaries &/or Joint Ventures | Others           | Total investments in India | Government Securities (including Local Authorities) | Subsidiaries &/or Joint Ventures | Others           | Total investments outside India | Total Investments   |
|                                                        |                       |                           |                  |                      |                                  |                  |                            |                                                     |                                  |                  |                                 |                     |
| <b>Held to Maturity</b>                                |                       |                           |                  |                      |                                  |                  |                            |                                                     |                                  |                  |                                 |                     |
| Gross                                                  | 9,20,090.06           | -                         | 8.00             | 31,374.37            | 6,283.10                         | 1,645.38         | 9,59,400.91                | 804.03                                              | 5,680.22                         | 133.90           | 6,618.15                        | 9,66,019.06         |
| Less: Provision for non-performing investments (NPI)   | -                     | -                         | 8.00             | -                    | 42.87                            | -                | 50.87                      | -                                                   | -                                | 6.66             | 6.66                            | 57.53               |
| <b>Net</b>                                             | <b>9,20,090.06</b>    | <b>-</b>                  | <b>-</b>         | <b>31,374.37</b>     | <b>6,240.23</b>                  | <b>1,645.38</b>  | <b>9,59,350.04</b>         | <b>804.03</b>                                       | <b>5,680.22</b>                  | <b>127.24</b>    | <b>6,611.49</b>                 | <b>9,65,961.53</b>  |
| <b>Available for Sale</b>                              |                       |                           |                  |                      |                                  |                  |                            |                                                     |                                  |                  |                                 |                     |
| Gross                                                  | 3,21,270.14           | -                         | 15,023.56        | 1,86,512.77          | 7,810.00                         | 34,457.85        | 5,65,074.32                | 29,703.87                                           | -                                | 26,886.83        | 56,590.70                       | 6,21,665.02         |
| Less: Provision for depreciation and NPI               | 2,701.98              | -                         | 976.66           | 4,494.37             | -                                | 7,026.91         | 15,199.92                  | 448.70                                              | -                                | 1,323.35         | 1,772.05                        | 16,971.97           |
| <b>Net</b>                                             | <b>3,18,568.17</b>    | <b>-</b>                  | <b>14,046.90</b> | <b>1,82,018.40</b>   | <b>7,810.00</b>                  | <b>27,430.94</b> | <b>5,49,874.40</b>         | <b>29,255.17</b>                                    | <b>-</b>                         | <b>25,563.48</b> | <b>54,818.65</b>                | <b>6,04,693.05</b>  |
| <b>Held for Trading</b>                                |                       |                           |                  |                      |                                  |                  |                            |                                                     |                                  |                  |                                 |                     |
| Gross                                                  | (326.93) @            | -                         | 40.99            | -                    | -                                | -                | (285.94)                   | -                                                   | -                                | -                | -                               | (285.94)            |
| Less: Provision for depreciation and NPI               | 2.37                  | -                         | 0.04             | -                    | -                                | -                | 2.41                       | -                                                   | -                                | -                | -                               | 2.41                |
| <b>Net</b>                                             | <b>(329.30)</b>       | <b>-</b>                  | <b>40.95</b>     | <b>-</b>             | <b>-</b>                         | <b>-</b>         | <b>(288.35)</b>            | <b>-</b>                                            | <b>-</b>                         | <b>-</b>         | <b>-</b>                        | <b>(288.35)</b>     |
| <b>Total Investments</b>                               |                       |                           |                  |                      |                                  |                  |                            |                                                     |                                  |                  |                                 |                     |
| Gross                                                  | 12,41,033.27          | -                         | 15,072.55        | 2,17,887.14          | 14,093.10                        | 36,103.23        | 15,24,189.29               | 30,507.90                                           | 5,680.22                         | 27,020.73        | 63,208.85                       | 15,87,398.14        |
| Less: Provision for non-performing investments (NPI) * | -                     | -                         | 741.17           | 2,325.38             | -                                | -                | 3,066.55                   | -                                                   | -                                | -                | -                               | 3,066.55            |
| Less: Provision for depreciation *                     | 2,704.35              | -                         | 243.53           | 2,168.99             | 42.87                            | 7,026.91         | 12,186.65                  | 448.70                                              | -                                | 1,330.01         | 1,778.71                        | 13,965.36           |
| <b>Net</b>                                             | <b>12,38,328.92</b>   | <b>-</b>                  | <b>14,087.85</b> | <b>2,13,392.77</b>   | <b>14,050.23</b>                 | <b>29,076.32</b> | <b>15,08,936.09</b>        | <b>30,059.20</b>                                    | <b>5,680.22</b>                  | <b>25,690.72</b> | <b>61,430.14</b>                | <b>15,70,366.23</b> |

\* Includes LICRA; @ Short sale

# Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

- i. Securities of a face value of ₹1,97,965.23 Crore (Previous Year ₹2,19,371.58 Crore) are kept as margin with Clearing Corporation of India Limited (CCIL/NSCCL/MCX/NSEIL/BSE) towards Securities Settlement.
- ii. On 25<sup>th</sup> July 2023, the Bank has incorporated a wholly owned subsidiary named SBI CDMDF Trustee Private Limited. On 3<sup>rd</sup> August 2023, the Bank has infused capital of ₹0.10 Crore. The company shall carry out the trusteeship services to Corporate Debt Market Development Fund (CDMDF).
- iii. On 7<sup>th</sup> February 2024 the Bank has acquired 100% stake of a step-down subsidiary SBICAP Ventures Ltd. an Asset Management Company for Venture Capital Fund, for the consideration of ₹708.07 Crore. Earlier it was wholly owned subsidiary of SBI Capital Markets Ltd.
- iv. During the year ended on 31<sup>st</sup> March 2024, the Bank has infused additional capital of ₹489.67 Crore in SBI General Insurance Co. Ltd., a subsidiary. The company has also allotted ESOP to employees and consequently, Bank's stake has decreased from 69.95% to 69.11%.
- v. On 8<sup>th</sup> December 2023 the Bank has acquired the entire 20% stake held by SBI Capital Markets Ltd. (SBICAPS) in SBI Pension Funds Pvt. Ltd. With this the Bank's stake in SBI Pension Funds Pvt. Ltd. has increased from 60% to 80%. The consideration paid for the transaction is ₹229.52 Crore.
- vi. On 10<sup>th</sup> May 2023, the Bank has infused proportionate share of additional capital amounting to ₹82.16 Crore in 8 Regional Rural Banks.
- vii. During the year ended on 31<sup>st</sup> March 2024 the Bank has made provision of ₹123.34 Crore in respect of investment in Alternate Investment Funds (AIFs) pursuant to the RBI Circular no. DOR.STR.REC.85/21.04.048/2023-24 dated 27<sup>th</sup> March 2024.

## b. Movement of provisions for Depreciation on Investments and Investment Fluctuation Reserve:

### i. Movement in provisions held towards depreciation on investments:

|                                                                | (₹ in Crore) |               |
|----------------------------------------------------------------|--------------|---------------|
| Particulars                                                    | Current Year | Previous Year |
| Balance at the beginning of the year                           | 16,238.34    | 10,825.22     |
| Add: Provisions made during the year                           | 331.32       | 6,561.52      |
| Less: Provision utilised during the year                       | -            | -             |
| Add: Foreign Exchange revaluation adjustment                   | -8.64        | 506.78        |
| Less: Write off/Write back of excess provision during the year | 6,240.53     | 1,654.18      |
| Balance at the end of the year                                 | 10,320.49    | 16,238.34     |

(Excluding LICRA)

### ii. Movement of Investment Fluctuation Reserve:

|                                                                                                         | (₹ in Crore)       |                    |
|---------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| Particulars                                                                                             | Current Year       | Previous Year      |
| Opening Balance                                                                                         | 12,271.38          | 7,695.95           |
| Add: Amount transferred during the year                                                                 | -                  | 4,575.43           |
| Less: Drawdown                                                                                          | 749.08             | -                  |
| <b>Closing balance</b>                                                                                  | <b>11,522.30</b>   | <b>12,271.38</b>   |
| <b>Closing balance of investments in AFS and HFT category</b>                                           | <b>5,76,115.05</b> | <b>6,13,569.08</b> |
| <b>Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT category</b> | <b>2.00%</b>       | <b>2.00%</b>       |

**c. Sales and Transfers of Securities to/from HTM Category:**

The value of sales and transfers of securities to/from HTM Category has not exceeded 5% of the book value of investment held in HTM category at the beginning of the year.

**d. Non-SLR Investment Portfolio:**

**i. Non-Performing Non-SLR Investments:**

(₹ in Crore)

| Particulars                           | Current Year    | Previous Year   |
|---------------------------------------|-----------------|-----------------|
| Opening Balance                       | 3,215.69        | 2,276.71        |
| Additions during the year             | 5.50            | 1,889.18        |
| Reductions during the year            | 1,396.20        | 950.20          |
| <b>Closing balance</b>                | <b>1,824.98</b> | <b>3,215.69</b> |
| <b>Total provisions held on above</b> | <b>1,820.82</b> | <b>3,066.55</b> |

**ii. Issuer composition of Non SLR Investments:**

The issuer composition of non-SLR investments of the Bank is given below:

(₹ in Crore)

| Sr. No.      | Issuer                                                    | Amount             |                    | Extent of Private Placement |                    | Extent of "Below Investment Grade" Securities* |                 | Extent of "Unrated" Securities* |               | Extent of "Unlisted" Securities* |               |
|--------------|-----------------------------------------------------------|--------------------|--------------------|-----------------------------|--------------------|------------------------------------------------|-----------------|---------------------------------|---------------|----------------------------------|---------------|
|              |                                                           | Current Year       | Previous Year      | Current Year                | Previous Year      | Current Year                                   | Previous Year   | Current Year                    | Previous Year | Current Year                     | Previous Year |
| i            | PSUs                                                      | 38,279.77          | 42,703.40          | 28,154.55                   | 28,663.04          | -                                              | -               | -                               | -             | -                                | -             |
| ii           | Fls                                                       | 1,12,966.27        | 1,49,308.37        | 71,839.06                   | 84,520.37          | 100.00                                         | 145.00          | -                               | -             | -                                | -             |
| iii          | Banks                                                     | 27,558.41          | 18,833.65          | 15,853.58                   | 11,356.69          | 23.62                                          | 23.62           | 23.62                           | 23.62         | 23.62                            | 23.62         |
| iv           | Private Corporates                                        | 74,073.77          | 74,364.75          | 25,583.41                   | 30,051.60          | 1,991.30                                       | 641.37          | 1,966.70                        | 293.79        | 375.00                           | 375.00        |
| v            | Subsidiaries / Joint Ventures **                          | 21,282.84          | 19,773.32          | -                           | -                  | -                                              | -               | -                               | -             | -                                | -             |
| vi           | Others                                                    | 42,307.77          | 41,381.38          | 3,723.36                    | 3,712.26           | 2,605.13                                       | 2,878.45        | 133.67                          | 133.67        | -                                | -             |
| vii          | Less: Provision held towards depreciation including LICRA | 10,866.36          | 14,327.56          | 24.58                       | 44.40              | 22.09                                          | 45.04           | 220.29                          | 67.62         | 398.62                           | -             |
| <b>Total</b> |                                                           | <b>3,05,599.47</b> | <b>3,32,037.31</b> | <b>1,45,129.38</b>          | <b>1,58,259.56</b> | <b>4,697.96</b>                                | <b>3,643.40</b> | <b>1,903.70</b>                 | <b>383.46</b> | <b>398.62</b>                    | <b>398.62</b> |

\* Investments in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central and State Government Securities and ARCIL are not segregated under these categories as these are exempt from rating/listing guidelines.

\*\* Investments in Subsidiaries/Joint Ventures have not been segregated into various categories as these are not covered under relevant RBI Guidelines.

# Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## e. Repo Transactions including Liquidity Adjustment Facility (LAF) (in face value terms):

The details of securities sold and purchased under repos and reverse repos including LAF during the year are given below:

### Current Year

(₹ in Crore)

| Particulars                                    | Minimum outstanding during the year | Maximum outstanding during the year | Daily Average outstanding during the year | Outstanding as on 31 <sup>st</sup> March 2024 |
|------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------------|-----------------------------------------------|
| <b>Securities sold under Repo</b>              |                                     |                                     |                                           |                                               |
| i. Government Securities                       | 845.22                              | 2,46,953.60                         | 88,320.56                                 | 2,05,503.00                                   |
| ii. Corporate Debt Securities                  | 5,736.21                            | 10,922.28                           | 8,194.94                                  | 10,540.40                                     |
| iii. Any other Securities                      | -                                   | 454.94                              | 5.82                                      | -                                             |
| <b>Securities purchased under Reverse Repo</b> |                                     |                                     |                                           |                                               |
| i. Government Securities                       | 399.91                              | 1,06,979.10                         | 19,351.35                                 | 26,013.06                                     |
| ii. Corporate Debt Securities                  | -                                   | 92.81                               | 2.98                                      | -                                             |
| iii. Any other Securities                      | -                                   | -                                   | -                                         | -                                             |

### Previous Year

(₹ in Crore)

| Particulars                                    | Minimum outstanding during the year | Maximum outstanding during the year | Daily Average outstanding during the year | Outstanding as on 31 <sup>st</sup> March 2023 |
|------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------------|-----------------------------------------------|
| <b>Securities sold under Repo</b>              |                                     |                                     |                                           |                                               |
| i. Government Securities                       | 93,497.57                           | 2,37,396.58                         | 1,74,620.06                               | 1,13,511.04                                   |
| ii. Corporate Debt Securities                  | 5,529.94                            | 10,152.71                           | 8,519.34                                  | 8,048.12                                      |
| iii. Any other Securities                      | -                                   | 456.39                              | 5.51                                      | -                                             |
| <b>Securities purchased under Reverse Repo</b> |                                     |                                     |                                           |                                               |
| i. Government Securities                       | 530.51                              | 2,52,034.07                         | 27,868.78                                 | 7,395.44                                      |
| ii. Corporate Debt Securities                  | -                                   | 100.18                              | 1.28                                      | -                                             |
| iii. Any other Securities                      | -                                   | -                                   | -                                         | -                                             |

## 18.4. ASSET QUALITY

### a. Classification of Advances and provisions held:

#### Current Year

(₹ in Crore)

| Year ended on 31 <sup>st</sup> March 2024                    | Standard Advances     | Sub Standard Advances | Doubtful Advances | Loss Advances    | Total Non-Performing Advances | Total               |
|--------------------------------------------------------------|-----------------------|-----------------------|-------------------|------------------|-------------------------------|---------------------|
| <b>Gross Standard Advances and NPAs</b>                      |                       |                       |                   |                  |                               |                     |
| A. Opening Balance                                           | 31,78,314.03          | 12,665.08             | 51,204.29         | 27,058.41        | 90,927.78                     | 32,69,241.81        |
| B. Add: Additions during the year                            |                       |                       |                   |                  | 20,316.90                     | 5,25,261.06         |
| C. Less: Reductions during the year*                         |                       |                       |                   |                  | 26,968.35                     | 26,968.35           |
| <b>Closing balance (A+B-C)</b>                               | <b>36,83,258.18</b>   | <b>14,996.69</b>      | <b>41,552.12</b>  | <b>27,727.52</b> | <b>84,276.33</b>              | <b>37,67,534.51</b> |
| * Reduction in Gross NPAs due to:                            |                       |                       |                   |                  |                               |                     |
| i) Upgradation                                               |                       |                       |                   |                  | 3,236.50                      | 3,236.50            |
| ii) Recoveries (excluding recoveries from upgraded accounts) |                       |                       |                   |                  | 7,570.48                      | 7,570.48            |
| iii) Technical/Prudential Write Offs                         |                       |                       |                   |                  | -                             | -                   |
| iv) Write-offs other than those under (iii) above            |                       |                       |                   |                  | 16,161.37                     | 16,161.37           |
| <b>Provisions (excluding Floating Provisions)</b>            |                       |                       |                   |                  |                               |                     |
| Opening balance of provisions held                           | 25,673.65             | 2,551.32              | 39,659.80         | 27,058.41        | 69,269.53                     | 94,943.18           |
| Add: Fresh provisions made during the year                   |                       |                       |                   |                  | 9,469.33                      | 9,469.33            |
| Less: Excess provision reversed/Write-off loans              |                       |                       |                   |                  | 15,705.22                     | 17,266.32           |
| <b>Closing balance of provisions held</b>                    | <b>24,112.57</b> \$\$ | <b>2,926.45</b>       | <b>32,379.65</b>  | <b>27,727.52</b> | <b>63,033.64</b>              | <b>87,146.19</b>    |
| <b>Net NPAs</b>                                              |                       |                       |                   |                  |                               |                     |
| Opening Balance                                              |                       | 10,113.76             | 11,352.88         | -                | 21,466.64                     |                     |
| Add: Fresh additions during the year                         |                       |                       |                   |                  | 10,847.57                     |                     |
| Less: Reductions during the year                             |                       |                       |                   |                  | 11,263.13                     |                     |
| <b>Closing Balance</b>                                       |                       | <b>12,070.23</b>      | <b>8,980.85</b>   | <b>-</b>         | <b>21,051.08</b> §            |                     |

§ Floating provision of ₹191.61 Crore is netted to arrive at net NPA.

\$\$ Excludes additional provision held ₹6,385.00 Crore on Restructured Standard Assets over and above regulatory requirement.

# Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## Previous Year

| (₹ in Crore)                                                 |                       |                       |                   |                  |                               |                     |
|--------------------------------------------------------------|-----------------------|-----------------------|-------------------|------------------|-------------------------------|---------------------|
| Year ended on 31st March 2023                                | Standard Advances     | Sub Standard Advances | Doubtful Advances | Loss Advances    | Total Non-Performing Advances | Total               |
| <b>Gross Standard Advances and NPAs</b>                      |                       |                       |                   |                  |                               |                     |
| A. Opening Balance                                           | 27,06,647.54          | 15,453.17             | 68,592.40         | 27,977.80        | 1,12,023.37                   | 28,18,670.91        |
| B. Add: Additions during the year                            |                       |                       |                   |                  | 18,420.64                     | 4,90,087.13         |
| C. Less: Reductions during the year *                        |                       |                       |                   |                  | 39,516.23                     | 39,516.23           |
| <b>Closing balance (A+B-C)</b>                               | <b>31,78,314.03</b>   | <b>12,665.08</b>      | <b>51,204.29</b>  | <b>27,058.41</b> | <b>90,927.78</b>              | <b>32,69,241.81</b> |
| * Reduction in Gross NPAs due to:                            |                       |                       |                   |                  |                               |                     |
| i) Upgradation                                               |                       |                       |                   |                  | 3,233.50                      | 3233.50             |
| ii) Recoveries (excluding recoveries from upgraded accounts) |                       |                       |                   |                  | 12,221.46                     | 12,221.46           |
| iii) Technical/Prudential Write Offs                         |                       |                       |                   |                  | -                             | -                   |
| iv) Write-offs other than those under (iii) above            |                       |                       |                   |                  | 24,061.27                     | 24,061.27           |
| <b>Provisions (excluding Floating Provisions)</b>            |                       |                       |                   |                  |                               |                     |
| Opening balance of provisions held                           | 19,972.61             | 4,486.76              | 51,401.49         | 27,977.80        | 83,866.05                     | 1,03,838.66         |
| Add: Fresh provisions made during the year                   |                       |                       |                   |                  | 9,190.34                      | 14,891.38           |
| Less: Excess provision reversed/ Write-off loans             |                       |                       |                   |                  | 23,786.86                     | 23,786.86           |
| <b>Closing balance of provisions held</b>                    | <b>25,673.65</b> \$\$ | <b>2,551.32</b>       | <b>39,659.80</b>  | <b>27,058.41</b> | <b>69,269.53</b>              | <b>94,943.18</b>    |
| <b>Net NPAs</b>                                              |                       |                       |                   |                  |                               |                     |
| Opening Balance                                              |                       | 10,966.41             | 16,999.30         | -                | 27,965.71                     |                     |
| Add: Fresh additions during the year                         |                       |                       |                   |                  | 9,230.19                      |                     |
| Less: Reductions during the year                             |                       |                       |                   |                  | 15,729.26                     |                     |
| <b>Closing Balance</b>                                       |                       | <b>10,113.76</b>      | <b>11,352.88</b>  | <b>-</b>         | <b>21,466.64</b> §            |                     |

§ Floating provision of ₹191.61 Crore is netted to arrive at net NPA.

\$\$ Excludes additional provision held ₹7,642.38 Crore on Restructured Standard Assets over and above regulatory requirement.

## Floating Provisions:

| (₹ in Crore)                                    |               |               |
|-------------------------------------------------|---------------|---------------|
| Particulars                                     | Current Year  | Previous Year |
| Opening Balance                                 | 193.75        | 193.75        |
| Add: Additional provisions made during the year | -             | -             |
| Less: Amount drawn down during the year         | -             | -             |
| <b>Closing balance of floating provisions</b>   | <b>193.75</b> | <b>193.75</b> |

### Technical write-offs and the recoveries made thereon:

(₹ in Crore)

| Particulars                                                                                      | Current Year | Previous Year |
|--------------------------------------------------------------------------------------------------|--------------|---------------|
| Opening balance of Technical/ Prudential written-off accounts                                    | --           | --            |
| Add: Technical/ Prudential write-offs during the year                                            | --           | --            |
| Less: Recoveries made from previously technical/ prudential written-off accounts during the year | --           | --            |
| <b>Closing balance</b>                                                                           | <b>--</b>    | <b>--</b>     |

### Asset Quality Ratios:

| Particulars                                   | Current Year | Previous Year |
|-----------------------------------------------|--------------|---------------|
| Gross NPA to Gross Advances                   | 2.24%        | 2.78%         |
| Net NPA to Net Advances                       | 0.57%        | 0.67%         |
| Provision Coverage Ratio (PCR) excluding AUCA | 75.02%       | 76.39%        |
| Provision Coverage Ratio (PCR) including AUCA | 91.89%       | 91.91%        |

AUCA represents accounts to the extent fully provided and transferred to a separate head called Advance Under Collection Account amounting to ₹1,75,202.14 Crore with a clear purpose of cleaning the Balance Sheet. Of these, AUCA amounting to ₹9,690.02 Crore is more than 10 years old; ₹81,709.50 Crore is more than 5 years but less than 10 years old and AUCA amounting to ₹83,802.62 Crore is less than 5 years old.

### b. Sector-wise Advances:

(₹ in Crore)

| Sr. No.  | Sector                                              | Current Year               |                  |                                                  | Previous Year              |                  |                                                  |
|----------|-----------------------------------------------------|----------------------------|------------------|--------------------------------------------------|----------------------------|------------------|--------------------------------------------------|
|          |                                                     | Outstanding Total Advances | Gross NPAs       | % of Gross NPAs to Total Advances in that sector | Outstanding Total Advances | Gross NPAs       | % of Gross NPAs to Total Advances in that sector |
| <b>A</b> | <b>Priority Sector</b>                              |                            |                  |                                                  |                            |                  |                                                  |
| 1        | Agriculture & allied activities                     | 3,02,705.43                | 29,169.55        | 9.64                                             | 2,56,044.09                | 29,587.72        | 11.56                                            |
| 2        | Industry sector eligible as priority sector lending | 1,26,230.54                | 5,725.61         | 4.54                                             | 1,08,965.94                | 5,550.08         | 5.09                                             |
| 3        | Services                                            | 1,96,081.81                | 5,829.68         | 2.97                                             | 1,61,450.44                | 4,045.64         | 2.51                                             |
| 4        | Personal Loans                                      | 2,09,771.10                | 2,270.63         | 1.08                                             | 1,99,327.20                | 2,188.53         | 1.10                                             |
|          | <b>Sub-total (A)</b>                                | <b>8,34,788.88</b>         | <b>42,995.48</b> | <b>5.15</b>                                      | <b>7,25,787.67</b>         | <b>41,371.97</b> | <b>5.70</b>                                      |
| <b>B</b> | <b>Non-Priority Sector</b>                          |                            |                  |                                                  |                            |                  |                                                  |
| 1        | Agriculture & allied activities                     | 2,472.13                   | 151.19           | 6.12                                             | 2,894.08                   | 198.08           | 6.84                                             |
| 2        | Industry                                            | 8,43,110.36                | 23,652.72        | 2.81                                             | 7,51,106.55                | 29,716.22        | 3.96                                             |
| 3        | Services                                            | 9,42,305.33                | 10,193.16        | 1.08                                             | 8,08,091.42                | 14,373.75        | 1.78                                             |
| 4        | Personal Loans                                      | 11,44,857.80               | 7,283.78         | 0.64                                             | 9,81,362.09                | 5,267.76         | 0.54                                             |
|          | <b>Sub-total (B)</b>                                | <b>29,32,745.63</b>        | <b>41,280.86</b> | <b>1.41</b>                                      | <b>25,43,454.14</b>        | <b>49,555.81</b> | <b>1.95</b>                                      |
| <b>C</b> | <b>Total (A+B)</b>                                  | <b>37,67,534.51</b>        | <b>84,276.33</b> | <b>2.24</b>                                      | <b>32,69,241.81</b>        | <b>90,927.78</b> | <b>2.78</b>                                      |

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## c. Overseas Assets, NPAs and Revenue:

|         |                    | (₹ in Crore ) |               |
|---------|--------------------|---------------|---------------|
| Sr. No. | Particulars        | Current Year  | Previous Year |
| 1       | Total Assets       | 6,65,740.67   | 6,07,517.76   |
| 2       | Total NPAs (Gross) | 1,498.04      | 1,951.47      |
| 3       | Total Revenue      | 39,709.56     | 20,735.96     |

## d. Resolution plan and restructuring:

### i. Restructuring of advances in terms of RBI Circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June 2019:

| Asset Classification of assets subject to Resolution Plan & restructuring | Current Year       |                                 | Previous Year      |                                 |
|---------------------------------------------------------------------------|--------------------|---------------------------------|--------------------|---------------------------------|
|                                                                           | Number of Borrower | Amount outstanding (₹ in Crore) | Number of Borrower | Amount outstanding (₹ in Crore) |
| Standard                                                                  | 1                  | 23                              | 2                  | 577                             |
| Sub Standard                                                              | 1                  | 12                              | 1                  | 137                             |
| Doubtful                                                                  | 1                  | 271                             | 6                  | 988                             |
| <b>Total</b>                                                              | <b>3</b>           | <b>306</b>                      | <b>9</b>           | <b>1,702</b>                    |

### ii. Acquisition of shares due to conversion of debt to equity during the restructuring process:

Equity shares acquired by way of conversion of debt to equity during the restructuring process did not exceed the prescribed regulatory ceilings/ restriction on capital market exposure, investment in para banking activities & intra group exposure.

### iii. MSME Restructuring:

As per RBI Circular no. DBR.No.BP.BC.18/21.04.048/2018-19 dated 1<sup>st</sup> January 2019, the details of restructured MSME accounts is as below:

| Particulars                        | Current Year | Previous Year |
|------------------------------------|--------------|---------------|
| No. of accounts restructured       | 50,248       | 85,738        |
| Aggregate outstanding (₹ in Crore) | 5,840.92     | 7,406.84      |

## e. Divergence in asset classification and provisioning:

Disclosure on divergence in asset classification and provisioning for NPAs is not required with respect to RBI's supervisory process for the year ended 31<sup>st</sup> March 2023, based on the conditions mentioned in RBI Circular No. DOR.ACC.REC. No.74/21.04.018/2022-23 dated 11<sup>th</sup> October 2022.

## f. Disclosure of Transfer of Loan Accounts (SMAs & NPAs) in terms of RBI Circular No. DOR.STR. REC.51/21.04.048/ 2021-22 dated 24<sup>th</sup> September 2021:

The transfer of loans in secondary market is regular phenomenon in foreign jurisdiction. Further, considering the intent of comprehensive RBI guidelines governing transfer of loan exposure for promoting a robust secondary market in Loans, the disclosure given here contains the domestic secondary market transactions only.



### Sale of Loans:

- i) The details of the Non-Performing Assets transferred during the year ended 31<sup>st</sup> March 2024 is given in the table below:

| Particulars                                                                                        | To ARCs  | To permitted transferees | To other transferees |
|----------------------------------------------------------------------------------------------------|----------|--------------------------|----------------------|
| No of accounts                                                                                     | 24       | 12                       | -                    |
| Aggregate principal outstanding of loans transferred (₹ in Crore)                                  | 7,541.73 | 181.42                   | -                    |
| Weighted average residual tenor of the loans transferred (Years)                                   | 0.82     | -                        | -                    |
| Net book value of loans transferred (at the time of transfer) (₹ in Crore)                         | 34.94    | -                        | -                    |
| Aggregate consideration (₹ in Crore)                                                               | 2,127.88 | 41.64                    | -                    |
| Additional consideration realised in respect of accounts transferred in earlier years (₹ in Crore) | 383.29   | -                        | -                    |

Excess Provision amounting to ₹1,122.18 Crore (Previous Year ₹2,628.41 Crore) on sale of NPAs to Securitisation Company (SC)/Reconstruction Company (RC) has been credited in the Profit & Loss Account.

During the year ended 31<sup>st</sup> March 2024, investment made in Security Receipts (SRs) was ₹674.18 Crore.

The Security Receipts are provided for and hence the book value is nil across various categories of Ratings assigned to Security Receipts by the Credit Rating Agencies as on 31<sup>st</sup> March 2024.

Provision held on the Security Receipts backed by NPAs sold by the Bank as underlying as on 31<sup>st</sup> March 2024 is ₹6,421.16 Crore (as on 31<sup>st</sup> March 2023 the same was ₹7,009.38 Crore.)

- ii) The bank has not transferred any Special Mention Account and loan not in default.

### Purchase of Loans:

- iii) The Bank has not acquired any stressed loan.
- iv) The Bank has purchased homogeneous assets from NBFCs/HFCs/MFIs which are not in default under Direct Assignment Route covered under Transfer of Loan Exposure. The Bank purchased secured home loans and secured & unsecured SME and ABU loans.

Details of loans-not-in-default acquired during the year ended on 31<sup>st</sup> March 2024 through assignment are given below:

| Particulars                                                     | From SCB, RRBs, UCBs, SICBs, DCCBs, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs) |                | From ARCs    |                |
|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------|----------------|--------------|----------------|
|                                                                 | Secured Loan                                                                                         | Unsecured Loan | Secured Loan | Unsecured Loan |
| Aggregate principal outstanding of loans acquired (₹ in Crore)  | 7,599.31                                                                                             | 13,317.08      | -            | -              |
| Aggregate consideration paid (₹ in Crore)                       | 6,797.64                                                                                             | 11,870.64      | -            | -              |
| Weighted average residual tenor of the loans acquired (years)   | 8.52                                                                                                 | 1.59           | -            | -              |
| Weighted average holding period by the originator (years)       | 1.16                                                                                                 | 0.56           | -            | -              |
| Retention of the beneficial economic interest by the originator | 10.55%                                                                                               | 10.86%         | -            | -              |
| Tangible Security Coverage                                      | 328.30%                                                                                              | Not Applicable | -            | -              |

- v) The loans acquired are not rated as these are not corporate borrowers.
- vi) Rating of pool under Direct Assignment is not mandatory, accordingly as per Industry Practice and Bank's Assignment Policy, Loss Estimates are obtained from External Rating Agency.

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## g. Fraud Reported and provision made during the year:

| Particulars                                                                                          | Current Year | Previous Year |
|------------------------------------------------------------------------------------------------------|--------------|---------------|
| Number of Frauds reported                                                                            | 1,586        | 2,755         |
| Amount involved in Fraud (₹ in Crore)                                                                | 3,406.87     | 4,878.18      |
| Amount of provision made for such frauds (₹ in Crore)                                                | 3,406.87     | 4,878.18      |
| Amount of unamortised provision debited from 'Other Reserves' as at the end of the year (₹ in Crore) | Nil          | Nil           |

In addition to above, during the financial year ended on 31<sup>st</sup> March 2024, the Bank reported 13,158 digital payment frauds amounting to ₹88.91 Crore. These frauds include instances involving compromising credentials like One Time Password, Card Verification Value, password, etc. by customers themselves or where no loss has been caused to the bank.

## h. Resolution of COVID-19 related Stress:

The details of resolution plan as on 31<sup>st</sup> March 2024, in terms of RBI Circular DOR. No. BP.BC/3/21.04.048/2020-21 dated 6<sup>th</sup> August 2020 (Resolution Framework 1.0) and DOR.STR.REC.11/21.04.048/2021-22 dated 5<sup>th</sup> May 2021 (Resolution Framework 2.0) are:

|                   | (₹ in Crore)                                                                                                                                          |                                                                          |                                                       |                                                                 |                                                                                                                                               |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| Type of borrower  | (A)<br>Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year | (B)<br>Of (A), aggregate debt that slipped into NPA during the half-year | (C)<br>Of (A) amount written off during the half-year | (D)<br>Of (A) amount paid by the borrowers during the half-year | (E)<br>Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year |
| Personal Loans    | 12,888                                                                                                                                                | 1,015                                                                    | -                                                     | 824                                                             | 11,049                                                                                                                                        |
| Corporate persons | 7,966                                                                                                                                                 | 459                                                                      | -                                                     | 1,277                                                           | 6,230                                                                                                                                         |
| of which, MSME    | 6,987                                                                                                                                                 | 459                                                                      | -                                                     | 1,114                                                           | 5,414                                                                                                                                         |
| Others            | -                                                                                                                                                     | -                                                                        | -                                                     | -                                                               | -                                                                                                                                             |
| <b>Total</b>      | <b>20,854</b>                                                                                                                                         | <b>1,474</b>                                                             | <b>-</b>                                              | <b>2,101</b>                                                    | <b>17,279</b>                                                                                                                                 |

(Includes restructuring implemented during the half-year ended September 2021 under the Resolution Framework 1.0)

## 18.5. EXPOSURES

The Bank is lending to sectors, which are sensitive to asset price fluctuations.

### a. Real Estate Sector:

|           |                                                                                                                                                                                                                                                                                                                                             | (₹ in Crore)       |                    |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| Sr. No.   | Particulars                                                                                                                                                                                                                                                                                                                                 | Current Year       | Previous Year      |
| <b>I</b>  | <b>Direct exposure</b>                                                                                                                                                                                                                                                                                                                      |                    |                    |
|           | <b>i) Residential Mortgages</b>                                                                                                                                                                                                                                                                                                             |                    |                    |
|           | Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.                                                                                                                                                                                                                   | 7,14,143.23        | 5,50,747.02        |
|           | Of which (i) Individual housing loans up to ₹35 lacs in Metropolitan centres (Population >= 10 lacs) and ₹25 lacs in other centres for purchase/construction of dwelling unit per family.                                                                                                                                                   | 2,76,083.66        | 2,51,213.68        |
|           | <b>ii) Commercial Real Estate</b>                                                                                                                                                                                                                                                                                                           |                    |                    |
|           | Lending secured by mortgages on Commercial Real Estates (office building, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development, and construction etc. Exposures include non-fund based (NFB) limits. | 71,840.90          | 50,409.72          |
|           | <b>iii) Investments in Mortgage-Backed Securities (MBS) and other securitised exposures:</b>                                                                                                                                                                                                                                                |                    |                    |
|           | a) Residential                                                                                                                                                                                                                                                                                                                              | -                  | -                  |
|           | b) Commercial Real Estate                                                                                                                                                                                                                                                                                                                   | -                  | -                  |
| <b>II</b> | <b>Indirect Exposure</b>                                                                                                                                                                                                                                                                                                                    |                    |                    |
|           | Fund based and non-fund-based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)                                                                                                                                                                                                                                 | 1,61,873.44        | 1,28,006.76        |
|           | <b>Total Exposure to Real Estate Sector</b>                                                                                                                                                                                                                                                                                                 | <b>9,47,857.57</b> | <b>7,29,163.50</b> |

### b. Capital Market:

|         |                                                                                                                                                                                                                                                                                                                                                         | (₹ in Crore)     |                  |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Sr. No. | Particulars                                                                                                                                                                                                                                                                                                                                             | Current Year     | Previous Year    |
| 1)      | Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt.                                                                                                                                                              | 6,893.84         | 16,870.59        |
| 2)      | Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds.                                                                                                                | 106.66           | 65.73            |
| 3)      | Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.                                                                                                                                                                                     | -                | -                |
| 4)      | Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/ units of equity oriented mutual funds does not fully cover the advances. | 642.57           | 2,149.02         |
| 5)      | Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers                                                                                                                                                                                                                                        | 29,678.27        | 4,106.64         |
| 6)      | Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.                                                                                                                           | -                | -                |
| 7)      | Bridge loans to companies against expected equity flows/issues.                                                                                                                                                                                                                                                                                         | -                | -                |
| 8)      | Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.                                                                                                                                                                           | -                | -                |
| 9)      | Financing to stockbrokers for margin trading.                                                                                                                                                                                                                                                                                                           | -                | -                |
| 10)     | Exposures to Venture Capital Funds (both registered and unregistered)                                                                                                                                                                                                                                                                                   | 4,795.07         | 4,302.21         |
|         | <b>Total Exposure to Capital Market</b>                                                                                                                                                                                                                                                                                                                 | <b>42,116.41</b> | <b>27,494.19</b> |

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## c. Risk Category wise Country Exposure:

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table.

| Risk Category | As at 31 <sup>st</sup> March 2024 |                | As at 31 <sup>st</sup> March 2023 |                |
|---------------|-----------------------------------|----------------|-----------------------------------|----------------|
|               | Net Funded Exposure               | Provision held | Net Funded Exposure               | Provision held |
| Insignificant | 2,542.18                          | Nil            | 404.93                            | Nil            |
| Very Low      | 2,48,017.45                       | 246.91         | 2,25,110.30                       | 196.15         |
| Low           | 79,789.39                         | Nil            | 62,630.30                         | Nil            |
| Medium        | 32,082.57                         | Nil            | 33,154.94                         | Nil            |
| High          | 24,736.25                         | Nil            | 22,138.32                         | Nil            |
| Very High     | 6,327.27                          | Nil            | 5,799.64                          | Nil            |
| Restricted    | 9,318.34                          | Nil            | 5,465.54                          | Nil            |
| <b>Total</b>  | <b>4,02,813.45</b>                | <b>246.91</b>  | <b>3,54,703.98</b>                | <b>196.15</b>  |

The country exposure (net funded) of the Bank for any country does not exceed 1% of its total assets except on USA, hence provision for the country exposure on USA has been made.

## d. Unsecured Advances:

| Particulars                                                                                                                | Current Year | Previous Year |
|----------------------------------------------------------------------------------------------------------------------------|--------------|---------------|
| Total Unsecured Advances of the bank                                                                                       | 11,19,048.81 | 9,30,364.53   |
| Of which number of advances outstanding against charge over intangible securities such as rights, licences, authority etc. | Nil          | Nil           |
| The estimated value of such intangible securities given above                                                              | Nil          | Nil           |

## e. Factoring Exposures:

The Banks factoring exposure as at 31<sup>st</sup> March 2024 is ₹38,570.64 Crore. (Previous Year ₹28,565.16 Crore).

## f. Intra-Group Exposures:

| Particulars                                                                              | Current Year | Previous Year |
|------------------------------------------------------------------------------------------|--------------|---------------|
| Total amount of intra-group exposures                                                    | 64,039.95    | 55,540.06     |
| Total amount of top-20 intra-group exposures                                             | 64,039.95    | 55,540.06     |
| Percentage of intra-group exposures to total exposure of the bank on borrowers/customers | 1.15%        | 1.09%         |
| Details of breach of limits on intra-group exposures and regulatory action thereon       | Nil          | \$            |

\$ During the financial year 2022-23 the Bank breached an Aggregate Group Exposure limit specified vide RBI Circular No. DBOD.No.BP.BC. 96/21.06.102/2013-14 dated 11<sup>th</sup> February, 2014. As against the specified limit of 20% of Paid-up Capital and Reserves in case of all group entities (financial and non-financial) taken together, the Bank took exposure of 20.62% for 83 days from 30<sup>th</sup> September, 2022 to 23<sup>rd</sup> December, 2022. For this contravention RBI levied penalty of ₹0.30 Crore on 25<sup>th</sup> September, 2023.

**g. Unhedged Foreign Currency Exposure:**

- An amount of ₹250.67 Crore (Previous Year ₹239.18 Crore) was held as on 31<sup>st</sup> March 2024 towards Currency Induced Credit Risk.
- Capital allocated for Currency Induced Credit Risk amounts to ₹533.46 Crore (Previous Year ₹420.39 Crore).

**h. Single Borrower and Group Borrower exposure limits exceeded by the Bank:**

The Bank has not exceeded the single borrower exposure & Group Borrower exposure prudential limits as prescribed by RBI.

**18.6. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES & NPAs**

**a. Concentration of Deposits:**

| Particulars                                                                       | Current Year | Previous Year |
|-----------------------------------------------------------------------------------|--------------|---------------|
| Total Deposits of twenty largest depositors (₹ in Crore)                          | 2,33,073.04  | 1,76,611.88   |
| Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank | 4.74%        | 3.99%         |

**b. Concentration of Advances:**

| Particulars                                                                            | Current Year | Previous Year |
|----------------------------------------------------------------------------------------|--------------|---------------|
| Total Advances to twenty largest borrowers (₹ in Crore)                                | 4,17,625.39  | 4,01,754.30   |
| Percentage of Advances to twenty largest borrowers to Total Gross Advances of the Bank | 11.08%       | 12.29%        |

**c. Concentration of Exposures:**

| Particulars                                                                                                        | Current Year | Previous Year |
|--------------------------------------------------------------------------------------------------------------------|--------------|---------------|
| Total Exposure to twenty largest borrowers/customers (₹ in Crore)                                                  | 5,72,651.53  | 5,55,744.92   |
| Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers | 10.31%       | 10.95%        |

**d. Concentration of NPAs:**

| Particulars                                                                        | Current Year | Previous Year |
|------------------------------------------------------------------------------------|--------------|---------------|
| Total Exposure to top twenty largest NPA exposure to Total Gross NPAs (₹ in Crore) | 20,415.45    | 19,716.80     |
| Percentage of exposures to the twenty largest NPA accounts to total gross NPAs     | 24.22%       | 21.68%        |

**18.7. DERIVATIVES**

**a. Forward Rate Agreements (FRA) / Interest Rate Swaps (IRS):**

|         |                                                                                                        | (₹ in Crore)    |                 |
|---------|--------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Sr. No. | Particulars                                                                                            | Current Year    | Previous Year   |
| i)      | The notional principal of swap agreements <sup>#</sup>                                                 | 7,48,317.86     | 8,43,159.96     |
| ii)     | Losses which would be incurred if counterparties fail to fulfil their obligations under the agreements | 3,399.77        | 4,058.55        |
| iii)    | Collateral required by the Bank upon entering swaps                                                    | -               | -               |
| iv)     | Concentration of credit risk arising from the swaps                                                    | Not significant | Not significant |
| v)      | The fair value of the swap book                                                                        | (2,925.93)      | (2,854.08)      |

<sup>#</sup>Excludes IRS/FRA amounting to ₹50,517.50 Crore (Previous Year ₹40,744.08 Crore) entered with the Bank's own foreign offices.

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Nature and terms of Forward Rate Agreement or Interest Rate Swaps as on 31<sup>st</sup> March 2024 are given below:

| Instrument   | Nature  | Nos.          | Notional Principal<br>(₹ in Crore) | Benchmark | Terms                                   |
|--------------|---------|---------------|------------------------------------|-----------|-----------------------------------------|
| IRS          | Hedging | 146           | 57,560.06                          | SOFR      | Fixed Receivable Vs Floating Payable    |
| IRS          | Hedging | 9             | 233.53                             | SOFR      | Floating Receivable Vs Fixed Payable    |
| IRS          | Trading | 6,818         | 2,49,854.34                        | MIBOR     | Fixed Payable Vs Floating Receivable    |
| IRS          | Trading | 7,074         | 2,56,578.16                        | MIBOR     | Fixed Receivable Vs Floating Payable    |
| IRS          | Trading | 145           | 23,257.95                          | MOD MIFOR | Fixed Payable Vs Floating Receivable    |
| IRS          | Trading | 52            | 3,702.67                           | MOD MIFOR | Floating Payable Vs Fixed Receivable    |
| IRS          | Trading | 132           | 14,754.00                          | MOD MIFOR | Fixed Receivable Vs Floating Payable    |
| IRS          | Trading | 32            | 21,330.17                          | SOFR      | Fixed Payable Vs Floating Receivable    |
| IRS          | Trading | 19            | 11,384.78                          | SOFR      | Floating Payable Vs Floating Receivable |
| IRS          | Trading | 183           | 1,05,131.34                        | SOFR      | Fixed Receivable Vs Floating Payable    |
| IRS          | Trading | 6             | 4,530.86                           | SOFR      | Floating Receivable Vs Fixed Payable    |
| <b>Total</b> |         | <b>14,616</b> | <b>7,48,317.86</b>                 |           |                                         |

## b. Exchange Traded Interest Rate Derivatives:

|         |                                                                                                                                      |              | (₹ in Crore)  |  |
|---------|--------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------|--|
| Sr. No. | Particulars                                                                                                                          | Current Year | Previous Year |  |
| 1       | Notional principal amount of exchange traded interest rate derivatives undertaken during the year (Instrument-wise)                  |              |               |  |
|         | a. Interest Rate Futures                                                                                                             | Nil          | Nil           |  |
|         | b. 10 Year Government of India Securities                                                                                            | 15,275.42    | 13,718.42     |  |
| 2       | Notional principal amount of exchange traded interest rate derivatives outstanding as on end of the financial year (instrument-wise) |              |               |  |
|         | a. Interest Rate Futures                                                                                                             | Nil          | Nil           |  |
|         | b. 10 Year Government of India Securities                                                                                            | Nil          | 165.00        |  |
| 3       | Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)      | N.A.         | N.A.          |  |
| 4       | Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective". (instrument-wise)          | N.A.         | N.A.          |  |

### c. Risk Exposure in Derivatives:

#### Qualitative Risk Exposure

- i) The Bank currently deals in over the counter (OTC) interest rate and currency derivatives as also in Interest Rate Futures and Exchange Traded Currency Derivatives.

Interest Rate Derivatives dealt by the Bank are rupee interest rate swaps, foreign currency interest rate swaps and forward rate agreements, cap, floor and collars.

Currency derivatives dealt by the Bank are currency swaps, rupee dollar options and cross-currency options.

The Bank also deals in Non-deliverable Options and Non-deliverable Forwards as permitted by RBI.

The products are offered to the Bank's customers to hedge their exposures and the Bank also enters into derivatives contracts to cover off such exposures. Derivatives are used by the Bank both for trading as well as hedging balance sheet items.

The Bank also runs option position in USD/INR, which is managed through various types of loss limits and Greek limits.

- ii) Derivative transactions carry market risk i.e. the probable loss the Bank may incur as a result of adverse movements in interest rates/exchange rates and credit risk i.e. the probable loss the Bank may incur if the counterparties fail to meet their obligations. The Bank's "Policy for Derivatives" approved by the Board prescribes the market risk parameters (Greek limits, Loss Limits, cut-loss triggers, open position limits, duration, modified duration, PV01 etc.) as well as customer eligibility criteria (credit rating, tenure of relationship, limits and customer appropriateness and suitability of policy (CAS) etc.) for entering into derivative transactions. Credit risk is controlled by entering derivative transactions only with counterparties satisfying the criteria prescribed in the Policy. Appropriate limits are set for the counterparties taking into account their ability to honour obligations and the Bank enters into ISDA agreement with each counterparty.
- iii) The Asset Liability Management Committee (ALCO) of the Bank oversees efficient management of these risks. The Bank's Market Risk Management Department (MRMD) identifies, measures, monitors market risk associated with derivative transactions, assists ALCO in controlling and managing these risks and reports compliance with policy prescriptions to the Risk Management Committee of the Board (RMCB) at regular intervals.
- iv) The accounting policy for derivatives has been drawn-up in accordance with RBI guidelines, the details of which are presented under Schedule 17: Significant Accounting Policies (SAP).
- v) Interest Rate Swaps are mainly used for hedging of the assets and liabilities.
- vi) Majority of the swaps were done with First class counterparty banks.
- vii) Derivative transactions comprise of swaps which are disclosed as contingent liabilities. The swaps are categorised as trading or hedging.
- viii) Derivative deals are entered with only those interbank participants for whom counterparty exposure limits are sanctioned. Similarly, derivative deals entered with only those corporates for whom credit exposure limit is sanctioned. Collateral requirements for derivative transactions are laid down as a part of credit sanctions terms on a case-by-case basis. Such collateral requirements are determined based on usual credit appraisal process. The Bank retains the right to terminate transactions as a risk mitigation measure in certain cases.

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## Quantitative Risk Exposure

(₹ in Crore)

| Particulars                                                            | Currency Derivatives |                       | Interest Rate Derivatives |                        |
|------------------------------------------------------------------------|----------------------|-----------------------|---------------------------|------------------------|
|                                                                        | Current Year         | Previous Year         | Current Year              | Previous Year          |
| I. Derivatives (Notional Principal Amount)                             |                      |                       |                           |                        |
| (a) For hedging                                                        | 12,045.74            | 8,389.39 <sup>@</sup> | 57,751.90                 | 47,965.32 <sup>#</sup> |
| (b) For trading *                                                      | 15,56,113.28         | 11,91,495.97          | 6,90,565.96               | 7,95,194.64            |
| II. Marked to Market Positions                                         |                      |                       |                           |                        |
| (a) Asset (+)                                                          | 6,055.27             | 7,575.32              | 3,399.77                  | 4,058.55               |
| (b) Liability (-)                                                      | 9,753.69             | 11,160.26             | 2,899.14                  | 4,196.40               |
| III. Credit Exposure                                                   | 49,567.78            | 41,469.48             | 9,972.98                  | 10,545.92              |
| IV. Likely impact of one percentage change in interest rate (100*PV01) |                      |                       |                           |                        |
| (a) on hedging derivatives                                             | 6.73                 | 19.72                 | 1,985.57                  | 1,585.10               |
| (b) on trading derivatives                                             | 1,031.40             | 497.23                | 294.50                    | 274.68                 |
| V. Maximum and Minimum of 100*PV01 observed during the year            |                      |                       |                           |                        |
| (a) on hedging:                                                        |                      |                       |                           |                        |
| Maximum                                                                | 18.51                | 29.22                 | 2,053.57                  | 1,637.88               |
| Minimum                                                                | 6.71                 | 7.60                  | 1,407.18                  | 1,255.24               |
| (b) on trading:                                                        |                      |                       |                           |                        |
| Maximum                                                                | 464.33               | 876.56                | 186.44                    | 528.42                 |
| Minimum                                                                | 1,035.25             | 497.23                | 417.03                    | 246.90                 |

<sup>@</sup>Excludes swaps amounting to ₹1,831.10 Crore (Previous Year ₹2,027.92 Crore) entered with the Bank's own foreign offices.

<sup>#</sup>IRS/FRA amounting to ₹50,517.50 Crore (Previous Year ₹40,744.08 Crore) entered with the Bank's own foreign offices are excluded.

\*Excludes Currency Derivatives of ₹2,835.68 Crore (Previous Year ₹86.38 Crore) and NDF ₹5,895.67 Crore (Previous Year ₹5,286.71 Crore) done with the Bank's Foreign offices.

- The outstanding notional amount of derivatives done between Global Markets Unit and International Banking Group as on 31<sup>st</sup> March 2024 amounted to ₹50,517.50 Crore (Previous Year ₹40,744.08 Crore) and the derivatives done between SBI Foreign Offices as on 31<sup>st</sup> March 2024 amounted to ₹1831.10 Crore (Previous Year ₹2,027.92 Crore).
- The outstanding notional amount of interest rate derivatives which are not marked-to-market (MTM) where the underlying Assets/Liabilities are not marked to market as on 31<sup>st</sup> March 2024 amounted to ₹85,426.07 Crore (Previous Year ₹1,16,255.32 Crore).

### d. Credit Default Swaps:

Bank has not entered any credit default Swap.

## 18.8. DISCLOSURE RELATING TO SECURITISATION

The bank has not securitised any standard assets.

## 18.9. OFF-BALANCE SHEET SPVs SPONSORED

The Bank has not floated any off Balance Sheet SPV.



### 18.10. UNCLAIMED LIABILITIES TRANSFERRED TO DEPOSITOR EDUCATION AND AWARENESS FUND

(₹ in Crore)

| Particulars                                               | Current Year     | Previous Year   |
|-----------------------------------------------------------|------------------|-----------------|
| Opening balance of amounts transferred to DEA Fund        | 8,952.21         | 4,513.87        |
| Add: Amounts transferred to DEA Fund                      | 6,038.85         | 6,970.26        |
| Less: Amounts reimbursed by DEA Fund                      | 567.59           | 2,531.92        |
| <b>Closing balance of amounts transferred to DEA Fund</b> | <b>14,423.47</b> | <b>8,952.21</b> |

The closing balance of the amount transferred to DEA Fund as disclosed above, are included under 'Schedule 12- Contingent Liabilities- Other items for which the bank is contingently liable'.

### 18.11. DISCLOSURE OF COMPLAINTS

#### a. Summary information of complaints received by the bank from customers and from the Office of Ombudsman on complaints and grievance redress:

| Sr. No.                                                                      | Particulars                                                                                                 | Current Year | Previous Year |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|--------------|---------------|
| <b>Complaints received by the bank from its customers.</b>                   |                                                                                                             |              |               |
| 1                                                                            | Number of complaints pending at beginning of the year                                                       | 1,35,112     | 1,82,212      |
| 2                                                                            | Number of complaints received during the year                                                               | 32,33,561    | 38,63,085     |
| 3                                                                            | Number of complaints disposed during the year                                                               | 32,37,250    | 39,10,185     |
| 3.1                                                                          | Of which, number of complaints rejected by the bank                                                         | 69,877       | 1,72,002      |
| 4                                                                            | Number of complaints pending at the end of the year                                                         | 1,31,423     | 1,35,112      |
| <b>Maintainable complaints received by the bank from Office of Ombudsman</b> |                                                                                                             |              |               |
| 5                                                                            | Number of maintainable complaints received by the bank from Office of Ombudsman                             | 31,719 @     | 31,038 #      |
| 5.1                                                                          | Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman                            | 12,681       | 12,653        |
| 5.2                                                                          | Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman | 17,456       | 17,356        |
| 5.3                                                                          | Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank         | 6            | 3             |
| 6                                                                            | Number of Awards unimplemented within the stipulated time (other than those appealed)                       | 0            | 0             |

@ Including complaints which were pending as at the end of the FY 2022-23 and carried over to FY 2023-24

# Including complaints which were pending as at the end of the FY 2021-22 and carried over to FY 2022-23

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.

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## b. Top five grounds of complaints received by the bank from customers:

### Current Year:

| Grounds of complaints,<br>(i.e. complaints relating to) | Number of<br>complaints<br>pending at the<br>beginning of the<br>year | Number of<br>complaints<br>received during<br>the year | % increase/<br>decrease in<br>the number<br>of complaints<br>received over the<br>previous year | Number of<br>complaints<br>pending at the end<br>of the year | Of 5, number<br>of complaints<br>pending beyond<br>30 days |
|---------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------|
| 1                                                       | 2                                                                     | 3                                                      | 4                                                                                               | 5                                                            | 6                                                          |
| Internet Banking/Mobile /Electronic Banking             | 83,450                                                                | 21,90,461                                              | 4.39                                                                                            | 1,01,483                                                     | 37,233                                                     |
| ATM/ Debit Card                                         | 49,435                                                                | 9,57,342                                               | -35.95                                                                                          | 25,680                                                       | 5,240                                                      |
| Operation of accounts                                   | 92                                                                    | 18,452                                                 | -21.03                                                                                          | 474                                                          | -                                                          |
| Advances                                                | 7                                                                     | 7,052                                                  | -52.95                                                                                          | 146                                                          | -                                                          |
| Levy of Charges/Excessive Charges                       | 38                                                                    | 6,906                                                  | -77.62                                                                                          | 144                                                          | -                                                          |
| Others                                                  | 2,090                                                                 | 53,348                                                 | -72.41                                                                                          | 3,496                                                        | -                                                          |
| <b>Total</b>                                            | <b>1,35,112</b>                                                       | <b>32,33,561</b>                                       | <b>-16.30</b>                                                                                   | <b>1,31,423</b>                                              | <b>42,473</b>                                              |

### Previous Year:

| Grounds of complaints,<br>(i.e. complaints relating to) | Number of<br>complaints<br>pending at the<br>beginning of the<br>year | Number of<br>complaints<br>received during<br>the year | % increase/<br>decrease in<br>the number<br>of complaints<br>received over the<br>previous year | Number of<br>complaints<br>pending at the end<br>of the year | Of 5, number<br>of complaints<br>pending beyond<br>30 days |
|---------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------|
| 1                                                       | 2                                                                     | 3                                                      | 4                                                                                               | 5                                                            | 6                                                          |
| Internet Banking/Mobile /Electronic Banking             | 97,236                                                                | 20,98,317                                              | 56.17                                                                                           | 83,450                                                       | 62,242                                                     |
| ATM/ Debit Card                                         | 65,097                                                                | 14,94,562                                              | -20.66                                                                                          | 49,435                                                       | -                                                          |
| Cheque Book related                                     | 1,694                                                                 | 22,638                                                 | 10.80                                                                                           | 19                                                           | -                                                          |
| Levy of Charges/Excessive Charges                       | 3,766                                                                 | 30,856                                                 | -44.18                                                                                          | 38                                                           | -                                                          |
| Operation of accounts                                   | 8,339                                                                 | 23,366                                                 | -4.74                                                                                           | 92                                                           | -                                                          |
| Others                                                  | 6,080                                                                 | 1,93,346                                               | 54.37                                                                                           | 2,078                                                        | 1,909                                                      |
| <b>Total</b>                                            | <b>1,82,212</b>                                                       | <b>38,63,085</b>                                       | <b>11.88</b>                                                                                    | <b>1,35,112</b>                                              | <b>64,151</b>                                              |

## c. Disclosure of “First Resort Complaints received, and action taken” in terms of Policy related Action Point in Annual Conference of the RBI Ombudsmen’s October 2022:

Under clause 10 of the Reserve Bank Integrated Ombudsman Scheme-2021 (RB-IOS), the complaints not related to deficiency of service rejected by Banking Ombudsman as non-maintainable advising the complainants to approach the concerned Regulated Entity directly are called as First Resort Complaints.

During the financial year 2023-24, a total of 23,029 First Resort Complaints (FRCs) were received by RB-IOs.

To ensure reduction in First Resort Complaints (FRCs), the Bank has taken initiatives as under:

- The salient features of RB-IO Scheme have been displayed at all the branches, ATM kiosks and digitally displayed on ATMs, Bank’s website, Internet Banking webpage & YONO app.
- Bank gives wide publicity for increasing customer awareness so that customer may approach the RBI Ombudsman, whenever they are not satisfied with the resolution provided by the Bank.

## 18.12. DISCLOSURE OF PENALTIES IMPOSED BY THE RESERVE BANK OF INDIA

- a. During the year ended 31<sup>st</sup> March 2024, the Reserve Bank of India (RBI) in exercise of the powers vested under the provisions of section 47A(1)(c) read with sections 46(4)(i) and 51(1) of the Banking Regulation Act, 1949 imposed following penalties:
  - i. RBI vide order dated 25<sup>th</sup> September 2023 levied penalty of ₹1 Crore for non-compliance with certain directions issued by RBI on 'Loans and Advances- Statutory and Other Restrictions' and ₹0.30 Crore for non-compliance with certain directions issued by RBI on 'Guidelines on Management of Intra-Group Transactions and Exposures'.
  - ii. RBI vide order dated 26<sup>th</sup> February 2024 levied penalty of ₹1 Crore for contravention of the provisions of Section 19(2) of the Banking Regulation Act, 1949 and ₹1 Crore for contravention of the provisions of Section 26A(2) of the Banking Regulation Act, 1949 read with the Depositors Education Awareness Fund Scheme, 2014.
- b. No penalty has been levied on the Bank for contravention under the provisions of Payment and Settlement Systems Act, 2007 and Government Securities Act, 2006 (for bouncing SGL).
- c. There is no default in reverse repo transaction.

## 18.13. OTHER DISCLOSURES

### a. Business Ratios:

| Sr. No. | Particulars                                                 | Current Year | Previous Year |
|---------|-------------------------------------------------------------|--------------|---------------|
| i.      | Interest Income as a percentage to Working Funds            | 7.07%        | 6.35%         |
| ii.     | Non-interest income as a percentage to Working Funds        | 0.88%        | 0.70%         |
| iii.    | Cost of Deposits (Domestic)                                 | 4.81%        | 3.99%         |
| iv.     | Net Interest Margin                                         | 3.28%        | 3.37%         |
| v.      | Operating Profit as a percentage to Working Funds           | 1.48%        | 1.60%         |
| vi.     | Return on Assets (on net-asset basis)                       | 1.36%        | 0.96%         |
| vii.    | Business (Deposits plus advances) per employee (₹ in Crore) | 34.10        | 29.78         |
| viii.   | Profit per employee (₹ in Lakh)                             | 26.20        | 21.23         |

### b. Bancassurance Business:

Fees/brokerage earned in respect of the insurance broking, agency and bancassurance business.

| (₹ in Crore)                        |                 |                 |
|-------------------------------------|-----------------|-----------------|
| Name of Company                     | Current Year    | Previous Year   |
| SBI Life Insurance Co. Ltd.         | 2,232.16        | 2,039.92        |
| SBI General Insurance Co. Ltd.      | 436.04          | 397.64          |
| Aviva                               | 1.46            | 0.29            |
| NTUC and Manulife Financial Limited | 0.33            | 0.12            |
| Tokio Marine and ACE                | 0.29            | 0.45            |
| Unit Trust and LIC                  | 0.13            | 0.01            |
| IFAST                               | 0.07            | 0.11            |
| AIA Singapore                       | -               | 0.01            |
| <b>TOTAL</b>                        | <b>2,670.48</b> | <b>2,438.55</b> |

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## c. Marketing and distribution:

The details of fees /remuneration received in respect of the marketing and distribution function (excluding bancassurance business) are as follows:

| (₹ in Crore)                            |                 |                 |
|-----------------------------------------|-----------------|-----------------|
| Name of the Company                     | Current Year    | Previous Year   |
| SBI Mutual Fund                         | 915.55          | 877.69          |
| SBI Cards and Payment Services Limited  | 231.24          | 263.86          |
| National Pension System                 | 19.80           | 17.89           |
| SBICAP Securities Ltd.                  | 7.12            | 5.22            |
| Other Mutual Funds                      | 41.22           | 33.30           |
| Others (PMS, Bonds, Corporate FDs etc.) | 7.41            | 5.35            |
| <b>Total</b>                            | <b>1,222.34</b> | <b>1,203.31</b> |

## d. Priority Sector Lending Certificate (PSLC):

The Bank has purchased/sold the following Priority Sector Lending Certificates during the year:

| (₹ in Crore)                    |                    |                  |                    |          |
|---------------------------------|--------------------|------------------|--------------------|----------|
| Category                        | Current Year       |                  | Previous Year      |          |
|                                 | Purchase           | Sell             | Purchase           | Sell     |
| PSLC Micro Enterprises          | 42,750.00          | -                | 78,249.00          | -        |
| PSLC Agriculture                | 8,660.00           | 15,510.00        | 25,240.00          | -        |
| PSLC General                    | 47,145.25          | -                | 7,439.00           | -        |
| PSLC Small and Marginal Farmers | 99,573.75          | -                | 91,072.00          | -        |
| <b>Total</b>                    | <b>1,98,129.00</b> | <b>15,510.00</b> | <b>2,02,000.00</b> | <b>-</b> |

**e. Provisions and Contingencies:**

Break up of "Provisions and Contingencies" shown under head Expenditure in Profit and Loss account as follows:

| (₹ in Crore)                                |                  |                  |
|---------------------------------------------|------------------|------------------|
| Provisions debited to Profit & Loss Account | Current Year     | Previous Year    |
| Provision for Taxation                      |                  |                  |
| - Current Tax                               | 22,871.63        | 21,223.93        |
| - Deferred Tax Asset created                | (2,165.29)       | (4,250.74)       |
| Provision for Depreciation on Investments   | (593.18)         | 1,513.84         |
| Provision on Non-Performing Assets          | 9,469.33         | 9,190.34         |
| Provision on Restructured Assets            | 48.30            | (46.41)          |
| Provision on Standard Assets                | (1,340.87)       | 5,618.55         |
| Other Provisions                            | (2,669.36)       | 231.01           |
| <b>Total</b>                                | <b>25,620.56</b> | <b>33,480.52</b> |

**f. Implementation of IFRS converged Indian Accounting Standards (Ind AS):**

RBI vide Circular DBR.BP.BC.No.29/21.07.001/2018-19 dated 22<sup>nd</sup> March 2019 deferred implementation of Ind AS till further notice. However, RBI requires all banks to submit Proforma Ind AS financial statements every half year. Accordingly, the Bank is preparing and submitting to RBI Proforma Ind AS financial statements every half year after approval of Steering Committee headed by MD (R,C & SARG) formed for monitoring of implementation of Ind AS in the Bank.

**g. Payment of DICGC Insurance Premium:**

| (₹ in Crore)                        |              |               |
|-------------------------------------|--------------|---------------|
| Particulars                         | Current Year | Previous Year |
| Payment of DICGC Insurance Premium  | 4,899.79     | 4,407.22      |
| Arrears in payment of DICGC premium | -            | -             |

**h. Disclosure on amortisation of expenditure on account of enhancement in Family Pension of employees of bank:**

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

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## 18.14. DISCLOSURE REQUIREMENTS AS PER THE ACCOUNTING STANDARDS

### a. Accounting Standard 5: Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies:

- During the year, there were no material prior period income / expenditure items.
- There is no change in the Significant Accounting Policies adopted during the Financial Year 2023-24 as compared to those followed in the previous Financial Year 2022-23.

### b. Accounting Standard – 15 “Employee Benefits”:

The employee benefits listed below are in respect of the employees in India. The employees of the foreign operations are not covered in the below schemes.

#### i. Defined Benefit Plans

##### 1. Employee’s Pension Plan and Gratuity Plan

The following table sets out the status of the Defined Benefit Pension Plan and Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the Bank: -

(₹ in Crore)

| Particulars                                                                                | Pension Plan |               | Gratuity Plan |               |
|--------------------------------------------------------------------------------------------|--------------|---------------|---------------|---------------|
|                                                                                            | Current Year | Previous Year | Current Year  | Previous Year |
| <b>Change in the present value of the defined benefit obligation</b>                       |              |               |               |               |
| Opening defined benefit obligation as at 1 <sup>st</sup> April                             | 1,56,966.26  | 1,46,124.99   | 12,390.48     | 12,714.22     |
| Current Service Cost                                                                       | 956.93       | 972.83        | 471.41        | 464.79        |
| Interest Cost                                                                              | 11,537.02    | 10,740.19     | 926.81        | 924.32        |
| Past Service Cost (Vested Benefit)                                                         | 7,100.00     | -             | -             | -             |
| Actuarial (Gains)/ Losses                                                                  | 26,225.01    | 9,824.44      | 570.84        | 44.75         |
| Benefits paid                                                                              | (5,165.42)   | (4,848.06)    | (1,525.60)    | (1,757.60)    |
| Direct Payment by Bank                                                                     | (6,674.84)   | (5,848.13)    | -             | -             |
| Closing defined benefit obligation as at 31 <sup>st</sup> March                            | 1,90,944.96  | 1,56,966.26   | 12,833.94     | 12,390.48     |
| <b>Change in Plan Assets</b>                                                               |              |               |               |               |
| Opening fair value of Plan Assets as at 1 <sup>st</sup> April                              | 1,33,148.54  | 1,30,590.73   | 11,065.66     | 10,925.06     |
| Expected Return on Plan Assets                                                             | 9,786.42     | 9,598.42      | 827.71        | 794.25        |
| Contributions by employer                                                                  | 7,634.52     | 2,171.59      | 1,324.82      | 1,440.65      |
| Expected Contributions by the employees                                                    | -            | 0.10          | 0.09          | -             |
| Benefits Paid                                                                              | (5,165.42)   | (4,848.06)    | (1,525.60)    | (1,757.60)    |
| Actuarial Gains / (Loss) on plan Assets – Due to Experience                                | 6,239.91     | (4,364.24)    | 447.04        | (336.70)      |
| Closing fair value of plan assets as at 31 <sup>st</sup> March                             | 1,51,643.97  | 1,33,148.54   | 12,139.72     | 11,065.66     |
| <b>Reconciliation of present value of the obligation and fair value of the plan assets</b> |              |               |               |               |
| Present Value of Funded obligation at the year end                                         | 1,90,944.96  | 1,56,966.26   | 12,833.94     | 12,390.48     |
| Fair Value of Plan assets at the year end                                                  | 1,51,643.97  | 1,33,148.54   | 12,139.72     | 11,065.66     |
| Funded Status Deficit/(Surplus)                                                            | 39,300.99    | 23,817.72     | 694.22        | 1,324.82      |
| Unrecognised Past Service Cost (Vested) Closing Balance                                    | -            | -             | -             | -             |
| Unrecognised Transitional Liability Closing Balance                                        | -            | -             | -             | -             |
| Net Liability/(Asset)                                                                      | 39,300.99    | 23,817.72     | 694.22        | 1,324.82      |

(₹ in Crore)

| Particulars                                                                                             | Pension Plan |               | Gratuity Plan |               |
|---------------------------------------------------------------------------------------------------------|--------------|---------------|---------------|---------------|
|                                                                                                         | Current Year | Previous Year | Current Year  | Previous Year |
| <b>Amount Recognised in the Balance Sheet</b>                                                           |              |               |               |               |
| Liabilities                                                                                             | 1,90,944.96  | 1,56,966.26   | 12,833.94     | 12,390.48     |
| Assets                                                                                                  | 1,51,643.97  | 1,33,148.54   | 12,139.72     | 11,065.66     |
| Net Liability / (Asset) recognised in Balance Sheet                                                     | 39,300.99    | 23,817.72     | 694.22        | 1,324.82      |
| Unrecognised Past Service Cost (Vested) Closing Balance                                                 | -            | -             | -             | -             |
| Unrecognised Transitional Liability Closing Balance                                                     | -            | -             | -             | -             |
| Net Liability/(Asset) recognised in Balance Sheet                                                       | 39,300.99    | 23,817.72     | 694.22        | 1,324.82      |
| <b>Net Cost recognised in the profit and loss account</b>                                               |              |               |               |               |
| Current Service Cost                                                                                    | 956.93       | 972.83        | 471.41        | 464.79        |
| Interest Cost                                                                                           | 11,537.02    | 10,740.19     | 926.81        | 924.32        |
| Expected return on plan assets                                                                          | (9,786.42)   | (9,598.42)    | (827.71)      | (794.25)      |
| Expected Contributions by the employees                                                                 | -            | (0.10)        | (0.09)        | -             |
| Past Service Cost (Amortised) Recognised                                                                | -            | -             | -             | -             |
| Past Service Cost (Vested Benefit) Recognised                                                           | 7,100.00     | -             | -             | -             |
| Net actuarial losses/ (Gain) recognised during the year                                                 | 19,985.10    | 14,188.68     | 123.80        | 381.45        |
| Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees" | 29,792.63    | 16,303.18     | 694.22        | 976.31        |
| <b>Reconciliation of expected return and actual return on Plan Assets</b>                               |              |               |               |               |
| Expected Return on Plan Assets                                                                          | 9,786.42     | 9,598.42      | 827.71        | 794.25        |
| Actuarial Gain/ (loss) on Plan Assets- Due to Experience                                                | 6,239.91     | (4,364.24)    | 447.04        | (336.70)      |
| Actual Return on Plan Assets                                                                            | 16,026.33    | 5,234.18      | 1,274.75      | 457.55        |
| <b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b>         |              |               |               |               |
| Opening Net Liability/ (Asset) as at 1 <sup>st</sup> April                                              | 23,817.72    | 15,534.26     | 1,324.82      | 1,789.16      |
| Expenses as recognised in Profit and Loss account                                                       | 29,792.63    | 16,303.18     | 694.22        | 976.31        |
| Paid by Bank Directly                                                                                   | (6,674.84)   | (5,848.13)    | -             | -             |
| Debited to Other Provision                                                                              | -            | -             | -             | -             |
| Recognised in Reserve                                                                                   | -            | -             | -             | -             |
| Employer's Contribution                                                                                 | (7,634.52)   | (2,171.59)    | (1,324.82)    | (1,440.65)    |
| Net liability/(Asset) recognised in Balance Sheet                                                       | 39,300.99    | 23,817.72     | 694.22        | 1,324.82      |

# Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## Plan Assets of Pension Fund & Gratuity Fund as on 31<sup>st</sup> March 2024 are as follows:

| Category of Assets                                         | Pension Fund<br>% of Plan Assets |                | Gratuity Plan<br>% of Plan Assets |                |
|------------------------------------------------------------|----------------------------------|----------------|-----------------------------------|----------------|
|                                                            | Current Year                     | Previous Year  | Current Year                      | Previous Year  |
| Central Govt. Securities                                   | 13.82%                           | 19.11%         | 15.25%                            | 19.06%         |
| State Govt. Securities                                     | 36.25%                           | 35.14%         | 34.25%                            | 35.24%         |
| Debt Securities, Money Market Securities and Bank Deposits | 28.36%                           | 30.85%         | 26.14%                            | 29.35%         |
| ETF and Mutual Funds                                       | 15.06%                           | 11.61%         | 13.22%                            | 10.99%         |
| Insurer Managed Funds                                      | 1.10%                            | 1.17%          | 10.05%                            | 3.30%          |
| Others                                                     | 5.41%                            | 2.12%          | 1.09%                             | 2.06%          |
| <b>Total</b>                                               | <b>100.00%</b>                   | <b>100.00%</b> | <b>100.00%</b>                    | <b>100.00%</b> |

## Principal actuarial assumptions

| Particulars                           | Pension Plans           |                         | Gratuity Plan        |                      |
|---------------------------------------|-------------------------|-------------------------|----------------------|----------------------|
|                                       | Current Year            | Previous Year           | Current Year         | Previous Year        |
| Discount Rate                         | 7.23%                   | 7.53%                   | 7.21%                | 7.48%                |
| Expected Rate of return on Plan Asset | 7.23%                   | 7.53%                   | 7.21%                | 7.48%                |
| Salary Escalation Rate                | 6.00%                   | 6.00%                   | 6.00%                | 6.00%                |
| Pension Escalation Rate               | 2.00%                   | 2.00%                   | Not Applicable       | Not Applicable       |
| Attrition Rate                        | 2.00%                   | 2.00%                   | 2.00%                | 2.00%                |
| Mortality Table During Employment     | IALM 2012-14 (Urban)    | IALM 2012-14 (Urban)    | IALM 2012-14 (Urban) | IALM 2012-14 (Urban) |
| Mortality Table After Employment      | IALM 2006-08 (Ultimate) | IALM 2006-08 (Ultimate) | Not Applicable       | Not Applicable       |

## Surplus/Deficit in the plan

### Pension

(₹ in Crore)

| Amount recognised in the Balance Sheet           | Year ended 31-03-2020 | Year ended 31-03-2021 | Year ended 31-03-2022 | Year ended 31-03-2023 | Year ended 31-03-2024 |
|--------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Liability at the end of the year                 | 1,09,830.37           | 1,25,806.37           | 1,46,124.99           | 1,56,966.26           | 1,90,944.96           |
| Fair value of Plan Assets at the end of the year | 97,458.52             | 1,06,445.86           | 1,30,590.73           | 1,33,148.54           | 1,51,643.97           |
| Difference                                       | 12,371.85             | 19,360.51             | 15,534.26             | 23,817.72             | 39,300.99             |
| Unrecognised Past Service Cost                   | -                     | -                     | -                     | -                     | -                     |
| Unrecognised Transition Liability                | -                     | -                     | -                     | -                     | -                     |
| Amount Recognised in the Balance Sheet           | 12,371.85             | 19,360.51             | 15,534.26             | 23,817.72             | 39,300.99             |



**Experience adjustment**

(₹ in Crore)

| Amount recognised in the Balance Sheet | Year ended 31-03-2020 | Year ended 31-03-2021 | Year ended 31-03-2022 | Year ended 31-03-2023 | Year ended 31-03-2024 |
|----------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| On Plan Liability (Gain) /Loss         | 4,078.53              | 12,528.38             | 4,162.26              | 8,997.32              | 21,009.20             |
| On Plan Asset (Loss) /Gain             | 1,550.28              | 3,705.91              | (436.95)              | (4,364.24)            | 6,239.91              |

**Surplus/ Deficit in the Plan****Gratuity Plan**

(₹ in Crore)

| Amount recognised in the Balance Sheet           | Year ended 31-03-2020 | Year ended 31-03-2021 | Year ended 31-03-2022 | Year ended 31-03-2023 | Year ended 31-03-2024 |
|--------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Liability at the end of the year                 | 12,852.56             | 13,447.17             | 12,714.22             | 12,390.48             | 12,833.94             |
| Fair value of Plan Assets at the end of the year | 10,570.95             | 10,950.23             | 10,925.06             | 11,065.66             | 12,139.72             |
| Difference                                       | 2,281.61              | 2,496.94              | 1,789.16              | 1,324.82              | 694.22                |
| Unrecognised Past Service Cost                   | -                     | -                     | -                     | -                     | -                     |
| Unrecognised Transition Liability                | -                     | -                     | -                     | -                     | -                     |
| Amount Recognised in the Balance Sheet           | 2,281.61              | 2,496.94              | 1,789.16              | 1,324.82              | 694.22                |

**Experience adjustment**

(₹ in Crore)

| Amount recognised in the Balance Sheet | Year ended 31-03-2020 | Year ended 31-03-2021 | Year ended 31-03-2022 | Year ended 31-03-2023 | Year ended 31-03-2024 |
|----------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| On Plan Liability (Gain) /Loss         | 382.17                | 1,053.04              | 366.15                | 138.91                | 542.28                |
| On Plan Asset (Loss) /Gain             | 249.84                | 331.37                | (76.85)               | (336.70)              | 447.04                |

The expected contribution to the Pension and Gratuity Fund for the next year is ₹8,250.00 Crore and ₹694.22 Crore respectively.

As the plan assets are marked to market on the basis of the yield curve derived from government securities, the expected rate of return has been kept the same as the discount rate.

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

**2. Employees' Provident Fund**

Actuarial valuation carried out in respect of interest shortfall in the Provident Fund Trust of the Bank, as per Deterministic Approach shows "Nil" liability, hence no provision is made in FY2023-24.

# Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuary appointed by the Bank:

| Particulars                                                                                             | Provident Fund |               |
|---------------------------------------------------------------------------------------------------------|----------------|---------------|
|                                                                                                         | Current Year   | Previous Year |
| <b>Change in the present value of the defined benefit obligation</b>                                    |                |               |
| Opening defined benefit obligation as at 1 <sup>st</sup> April                                          | 38,236.80      | 36,730.00     |
| Current Service Cost                                                                                    | 2,123.44       | 1,480.33      |
| Interest Cost                                                                                           | 3,087.84       | 2,762.87      |
| Employee Contribution (including VPF)                                                                   | 2,822.83       | 1,952.97      |
| Actuarial losses/(gains)                                                                                | (3.96)         | -             |
| Benefits paid                                                                                           | (4,439.74)     | (4,689.37)    |
| Closing defined benefit obligation as at 31 <sup>st</sup> March                                         | 41,827.21      | 38,236.80     |
| <b>Change in Plan Assets</b>                                                                            |                |               |
| Opening fair value of Plan Assets as at 1 <sup>st</sup> April                                           | 39,210.05      | 37,632.85     |
| Expected Return on Plan Assets                                                                          | 3,087.84       | 2,762.87      |
| Contributions                                                                                           | 4,946.27       | 3,433.30      |
| Provision for loss on maturity of non-performing investment                                             | -              | -             |
| Benefits Paid                                                                                           | (4,439.74)     | (4,689.37)    |
| Actuarial Gains / (Loss) on plan Assets                                                                 | (203.43)       | 70.40         |
| Closing fair value of plan assets as at 31 <sup>st</sup> March                                          | 42,600.99      | 39,210.05     |
| <b>Reconciliation of present value of the obligation and fair value of the plan assets</b>              |                |               |
| Present Value of Funded obligation at the year end                                                      | 41,827.21      | 38,236.80     |
| Fair Value of Plan assets at the year end                                                               | 42,600.99      | 39,210.05     |
| Funded Status [Deficit/(Surplus)]                                                                       | (773.78)       | (973.25)      |
| Net Asset not recognised in Balance Sheet                                                               | 773.78         | 973.25        |
| <b>Net Cost recognised in the profit and loss account</b>                                               |                |               |
| Current Service Cost                                                                                    | 2,123.44       | 1,480.33      |
| Interest Cost                                                                                           | 3,087.84       | 2,762.87      |
| Expected return on plan assets                                                                          | (3,087.84)     | (2,762.87)    |
| Interest shortfall reversed                                                                             | -              | -             |
| Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees" | 2,123.44       | 1,480.33      |
| <b>Reconciliation of opening and closing net liability/(asset) recognised in Balance Sheet</b>          |                |               |
| Opening Net Liability as at 1 <sup>st</sup> April                                                       | -              | -             |
| Expense as above                                                                                        | 2,123.44       | 1,480.33      |
| Employer's Contribution                                                                                 | (2,123.44)     | (1,480.33)    |
| Net Liability/(Asset) Recognised in the Balance Sheet                                                   | -              | -             |

**Plan Assets of Provident Fund as on 31<sup>st</sup> March 2024 are as follows:**

| Category of Assets                                         | Provident Fund<br>% of Plan Assets |                |
|------------------------------------------------------------|------------------------------------|----------------|
|                                                            | Current Year                       | Previous Year  |
| Central Govt. Securities                                   | 18.10%                             | 28.36%         |
| State Govt. Securities                                     | 34.96%                             | 31.82%         |
| Debt Securities, Money Market Securities and Bank Deposits | 32.29%                             | 30.12%         |
| Mutual Funds                                               | 8.83%                              | 6.99%          |
| Others                                                     | 5.82%                              | 2.71%          |
| <b>Total</b>                                               | <b>100.00%</b>                     | <b>100.00%</b> |

### Principal actuarial assumptions

| Particulars            | Provident Fund       |                      |
|------------------------|----------------------|----------------------|
|                        | Current Year         | Previous Year        |
| Discount Rate          | 7.21%                | 7.48%                |
| Guaranteed Return      | 8.15%                | 8.10%                |
| Attrition Rate         | 2.00%                | 2.00%                |
| Salary Escalation Rate | 6.00%                | 6.00%                |
| Mortality Table        | IALM 2012-14 (Urban) | IALM 2012-14 (Urban) |

There is a guaranteed return applicable to liability under SBI Employees Provident Fund which shall not be lower of either:

- one half percent above the average standard rate (adjusted up or down to the interest one quarter per cent) quoted by the bank for new deposits fixed for twelve months in the preceding year (ending on the preceding 31<sup>st</sup> day of March); or
- three percent per annum, subject to approval of Executive Committee.

### ii. Defined Contribution Plan:

The Bank has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after 1<sup>st</sup> August 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2023-24, the Bank has contributed ₹1,552.41 Crore (Previous Year ₹1,296.27 Crore).

### iii. Long Term Employee Benefits (Unfunded Obligation):

#### (A) Accumulating Compensated Absences (Privilege Leave)

The following table sets out the status of Accumulating Compensated Absences (Privilege Leave) as per the actuarial valuation by the independent Actuary appointed by the Bank: -

| Particulars                                                                                             | Accumulating Compensated Absences (Privilege Leave) |               |
|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------|---------------|
|                                                                                                         | Current Year                                        | Previous Year |
| <b>Change in the present value of the defined benefit obligation</b>                                    |                                                     |               |
| Opening defined benefit obligation as at 1 <sup>st</sup> April                                          | 11,068.33                                           | 10,372.37     |
| Current Service Cost                                                                                    | 363.76                                              | 328.35        |
| Interest Cost                                                                                           | 827.91                                              | 754.07        |
| Actuarial losses/(gains)                                                                                | 2,372.84                                            | 743.71        |
| Benefits paid                                                                                           | (1,088.88)                                          | (1,130.17)    |
| Closing defined benefit obligation as at 31 <sup>st</sup> March                                         | 13,543.96                                           | 11,068.33     |
| <b>Net Cost recognised in the profit and loss account</b>                                               |                                                     |               |
| Current Service Cost                                                                                    | 363.76                                              | 328.35        |
| Interest Cost                                                                                           | 827.91                                              | 754.07        |
| Actuarial (Gain)/ Losses                                                                                | 2,372.84                                            | 743.71        |
| Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees" | 3,564.51                                            | 1,826.13      |

(₹ in Crore)

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

| (₹ in Crore)                                                                                    |                                                        |                         |
|-------------------------------------------------------------------------------------------------|--------------------------------------------------------|-------------------------|
| Particulars                                                                                     | Accumulating Compensated Absences<br>(Privilege Leave) |                         |
|                                                                                                 | Current Year                                           | Previous Year           |
| <b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b> |                                                        |                         |
| Opening Net Liability as at 1 <sup>st</sup> April                                               | 11,068.33                                              | 10,372.37               |
| Expense as above                                                                                | 3,564.51                                               | 1,826.13                |
| Employer's Contribution                                                                         | -                                                      | -                       |
| Benefit paid directly by the Employer                                                           | (1,088.88)                                             | (1,130.17)              |
| Net Liability/(Asset) Recognised in the Balance Sheet                                           | 13,543.96                                              | 11,068.33               |
| <b>Principal actuarial assumptions</b>                                                          |                                                        |                         |
| Particulars                                                                                     | Current Year                                           | Previous Year           |
| Discount Rate                                                                                   | 7.21%                                                  | 7.48%                   |
| Salary Escalation Rate                                                                          | 6.00%                                                  | 6.00%                   |
| Attrition Rate                                                                                  | 2.00%                                                  | 2.00%                   |
| Mortality Table                                                                                 | IALM 2012-14<br>(Urban)                                | IALM 2012-14<br>(Urban) |

## (B) Other Long-Term Employee Benefits

Amount of ₹193.85 Crore (Previous Year ₹20.57 Crore) is provided as per the actuarial valuation by the independent Actuary appointed by the Bank towards Other Long-Term Employee Benefits viz. Leave Travel and Home Travel Concession (Encashment/Availment), Silver Jubilee Award, Resettlement Expenses on Superannuation and Retirement Award and is included under the head "Payments to and Provisions for Employees" in Profit and Loss Account.

### Principal actuarial assumptions

| Particulars            | Current Year            | Previous Year           |
|------------------------|-------------------------|-------------------------|
| Discount Rate          | 7.21%                   | 7.48%                   |
| Salary Escalation Rate | 6.00%                   | 6.00%                   |
| Attrition Rate         | 2.00%                   | 2.00%                   |
| Mortality Table        | IALM 2012-14<br>(Urban) | IALM 2012-14<br>(Urban) |

## c. Accounting Standard - 17 "Segment Reporting"

### 1. Segment Identification

#### I. Primary (Business Segment)

The following are the primary segments of the Bank: -

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Other Banking Business.

The present accounting and information system of the Bank does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the primary segments have been computed as under:

**i. Treasury**

The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.

**ii. Corporate / Wholesale Banking**

The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices.

**iii. Retail Banking**

The Retail Banking Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs.

**iv. Other Banking business**

Segments not classified under (i) to (iii) above are classified under this primary segment.

**II. Secondary (Geographical Segment)**

- i) Domestic Operations - Branches/Offices having operations in India
- ii) Foreign Operations - Branches/Offices having operations outside India and offshore Banking Units having operations in India

**III. Pricing of Inter-segmental Transfers**

The Retail Banking segment is the primary resource mobilising unit. The Corporate/Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market Related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sells funds to business units engaged in creating assets.

**IV. Allocation of Expenses, Assets and Liabilities**

Expenses incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

The Bank has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

# Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## 2. Segment Information

### Part A: Primary (Business Segments):

(₹ in Crore)

| Business Segment                            | Treasury       | Corporate /<br>Wholesale<br>Banking | Retail Banking     |                         | Total          | Other<br>Banking<br>Operations | Total          |
|---------------------------------------------|----------------|-------------------------------------|--------------------|-------------------------|----------------|--------------------------------|----------------|
|                                             |                |                                     | Digital<br>Banking | Other retail<br>Banking |                |                                |                |
| Revenue (before exceptional items) #        | 1,25,552.27    | 1,30,257.54                         | 5,149.22           | 2,03,630.78             | 2,08,780.00    | -                              | 4,64,589.81    |
|                                             | (1,01,933.92)  | (98,038.91)                         | (3,697.02)         | (1,63,216.12)           | (1,66,913.14)  | (-)                            | (3,66,885.97)  |
| Unallocated Revenue #                       |                |                                     |                    |                         |                |                                | 2,223.01       |
|                                             |                |                                     |                    |                         |                |                                | (1,832.69)     |
| Total Revenue #                             |                |                                     |                    |                         |                |                                | 4,66,812.82    |
|                                             |                |                                     |                    |                         |                |                                | (3,68,718.66)  |
| Result (before exceptional items) #         | 16,187.30      | 40,474.40                           | 7,685.55           | 31,863.16               | 39,548.71      | -                              | 96,210.41      |
|                                             | (9,470.88)     | (29,049.75)                         | (5,020.54)         | (28,218.94)             | (33,239.48)    | -                              | (71,760.11)    |
| Less: Exceptional Items #                   |                |                                     |                    |                         |                |                                | 7,100.00       |
|                                             |                |                                     |                    |                         |                |                                | (-)            |
| Result (after exceptional items) #          |                |                                     |                    |                         |                |                                | 89,110.41      |
|                                             |                |                                     |                    |                         |                |                                | (71,760.10)    |
| Unallocated Income(+) / Expenses(-) - net # |                |                                     |                    |                         |                |                                | -7,327.45      |
|                                             |                |                                     |                    |                         |                |                                | (-4,554.47)    |
| Profit before tax #                         |                |                                     |                    |                         |                |                                | 81,782.96      |
|                                             |                |                                     |                    |                         |                |                                | (67,205.64)    |
| Tax #                                       |                |                                     |                    |                         |                |                                | 20,706.34      |
|                                             |                |                                     |                    |                         |                |                                | (16,973.19)    |
| Extraordinary Profit #                      |                |                                     |                    |                         |                |                                | Nil            |
|                                             |                |                                     |                    |                         |                |                                | Nil            |
| Net Profit #                                |                |                                     |                    |                         |                |                                | 61,076.62      |
|                                             |                |                                     |                    |                         |                |                                | (50,232.45)    |
| <b>Other Information:</b>                   |                |                                     |                    |                         |                |                                |                |
| Segment Assets *                            | 17,99,263.94   | 17,13,722.56                        | 74,123.60          | 25,33,651.57            | 26,07,775.17   | -                              | 61,20,761.67   |
|                                             | (16,65,482.35) | (14,92,904.65)                      | (52,647.74)        | (25,57,802.67)          | (23,10,450.41) | -                              | (54,68,837.41) |
| Unallocated Assets *                        |                |                                     |                    |                         |                |                                | 58,932.27      |
|                                             |                |                                     |                    |                         |                |                                | (48,141.12)    |
| Total Assets *                              |                |                                     |                    |                         |                |                                | 61,79,693.94   |
|                                             |                |                                     |                    |                         |                |                                | (55,16,978.53) |
| Segment Liabilities *                       | 16,20,651.34   | 16,26,313.44                        | 6,94,818.32        | 16,70,042.28            | 23,64,860.60   | -                              | 56,11,825.38   |
|                                             | (15,24,002.00) | (14,57,595.81)                      | (4,90,464.77)      | (15,62,424.59)          | (20,52,889.36) | -                              | (50,34,487.17) |
| Unallocated Liabilities *                   |                |                                     |                    |                         |                |                                | 1,90,622.03    |
|                                             |                |                                     |                    |                         |                |                                | (1,54,882.91)  |
| Total Liabilities *                         |                |                                     |                    |                         |                |                                | 58,02,447.41   |
|                                             |                |                                     |                    |                         |                |                                | (51,89,370.08) |

(Figures in brackets are for previous year).

**Part B: Secondary (Geographic Segments):**

(₹ in Crore)

| Particulars                          | Domestic     |               | Foreign      |               | Total        |               |
|--------------------------------------|--------------|---------------|--------------|---------------|--------------|---------------|
|                                      | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Revenue (before exceptional items) # | 4,27,103.26  | 3,47,982.70   | 39,709.56    | 20,735.96     | 4,66,812.82  | 3,68,718.66   |
| Net Profit #                         | 49,032.85    | 43,966.38     | 12,043.77    | 6,266.07      | 61,076.62    | 50,232.45     |
| Assets *                             | 55,13,953.27 | 49,09,460.77  | 6,65,740.67  | 6,07,517.76   | 61,79,693.94 | 55,16,978.53  |
| Liabilities*                         | 51,36,706.74 | 45,81,852.33  | 6,65,740.67  | 6,07,517.76   | 58,02,447.41 | 51,89,370.09  |

# For the year ended 31<sup>st</sup> March 2024.\* As at 31<sup>st</sup> March, 2024.

As per RBI Circular DOR. AUT.REC.12/22.01.001/2022-23 dated 7<sup>th</sup> April 2022, for the purpose of disclosure under Accounting Standard 17 Segment Reporting "Digital Banking" has been identified as a sub-segment under the "Retail Banking Segment".

**d. Accounting Standard – 18 "Related Party Disclosures":****1. Related Parties****A. SUBSIDIARIES****i. FOREIGN BANKING SUBSIDIARIES**

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

**ii. DOMESTIC NON-BANKING SUBSIDIARIES**

1. SBI Life Insurance Company Ltd.
2. SBI General Insurance Company Ltd.
3. SBI Cards & Payment Services Ltd.
4. SBI Funds Management Ltd.
5. SBI Mutual Fund Trustee Co. Pvt. Ltd.
6. SBICAP Ventures Ltd.
7. SBI Capital Markets Ltd.
8. SBICAP Trustee Co. Ltd.
9. SBICAP Securities Ltd.
10. SBI Global Factors Ltd.
11. SBI - SG Global Securities Services Pvt. Ltd.
12. SBI DFHI Ltd.

# Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

13. SBI Pension Funds Pvt. Ltd.
14. SBI Payment Services Pvt. Ltd.
15. SBI Infra Management Solutions Pvt. Ltd. (under liquidation)
16. SBI Foundation
17. State Bank Operations Support Services Pvt. Ltd.
18. SBI CDMDF Trustee Private Limited (Date of incorporation 25<sup>th</sup> July 2023)

### iii. FOREIGN NON-BANKING SUBSIDIARIES

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

## B. JOINTLY CONTROLLED ENTITIES

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

## C. ASSOCIATES

### i. Regional Rural Banks

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



**ii. Others**

1. The Clearing Corporation of India Ltd.
2. Bank of Bhutan Ltd.
3. Yes Bank Ltd.
4. Investec Capital Services (India) Pvt. Ltd.
5. Jio Payments Bank Ltd.
6. SBI Home Finance Ltd. (under liquidation)

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

1. Shri Dinesh Kumar Khara, Chairman
2. Shri Challa Sreenivasulu Setty, Managing Director (International Banking, Global Markets & Technology)
3. Shri Swaminathan Janakiraman, Managing Director (Corporate Banking & Subsidiaries) (up to 25<sup>th</sup> June 2023)
4. Shri Ashwini Kumar Tewari, Managing Director (Corporate Banking & Subsidiaries)
5. Shri Alok Kumar Choudhary, Managing Director (Risk, Compliance & SARG)
6. Shri Vinay M. Tonse, Managing Director (Retail Business & Operations) (w.e.f. 21<sup>st</sup> November 2023)

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

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

**3. Transactions and Balances:**

| (₹ in Crore)                                          |                                   |                                                     |          |                                   |                                                     |          |
|-------------------------------------------------------|-----------------------------------|-----------------------------------------------------|----------|-----------------------------------|-----------------------------------------------------|----------|
| Particulars                                           | Associates/<br>Joint Ventures     | Key<br>Management<br>Personnel &<br>their relatives | Total    | Associates/<br>Joint Ventures     | Key<br>Management<br>Personnel &<br>their relatives | Total    |
| <b>Outstanding as at</b>                              | <b>31<sup>st</sup> March 2024</b> |                                                     |          | <b>31<sup>st</sup> March 2023</b> |                                                     |          |
| Borrowings                                            | -                                 | -                                                   | -        | -                                 | -                                                   | -        |
| Deposits                                              | 1,938.05                          | -                                                   | 1,938.05 | 4,942.43                          | -                                                   | 4,942.43 |
| Other Liabilities                                     | 72.23                             | -                                                   | 72.23    | 66.09                             | -                                                   | 66.09    |
| Balance with Banks and Money at call and short notice | 4.55                              | -                                                   | 4.55     | 0.17                              | -                                                   | 0.17     |
| Advances                                              | 1,868.59                          | -                                                   | 1,868.59 | 1,007.14                          | -                                                   | 1,007.14 |
| Investments                                           | 7,925.54                          | -                                                   | 7,925.54 | 7,925.54                          | -                                                   | 7,925.54 |
| Other Assets                                          | 377.71                            | -                                                   | 377.71   | 196.03                            | -                                                   | 196.03   |
| Non-fund commitments (LCs/BGs)                        | 96.23                             | -                                                   | 96.23    | 22.53                             | -                                                   | 22.53    |

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

| (₹ in Crore)                                            |                               |                                                     |          |                               |                                                     |           |
|---------------------------------------------------------|-------------------------------|-----------------------------------------------------|----------|-------------------------------|-----------------------------------------------------|-----------|
| Particulars                                             | Associates/<br>Joint Ventures | Key<br>Management<br>Personnel &<br>their relatives | Total    | Associates/<br>Joint Ventures | Key<br>Management<br>Personnel &<br>their relatives | Total     |
| <b>Maximum outstanding</b>                              | <b>During FY 2023-24</b>      |                                                     |          | <b>During FY 2022-23</b>      |                                                     |           |
| Borrowings                                              | 850.00                        | -                                                   | 850.00   | -                             | -                                                   | -         |
| Deposits                                                | 6,410.68                      | -                                                   | 6,410.68 | 5,269.99                      | -                                                   | 5,269.99  |
| Other Liabilities                                       | 97.67                         | -                                                   | 97.67    | 66.12                         | -                                                   | 66.12     |
| Balance with Banks and Money at call and short notice   | 8.64                          | -                                                   | 8.64     | 2.56                          | -                                                   | 2.56      |
| Advances                                                | 2,204.87                      | -                                                   | 2,204.87 | 1,152.51                      | -                                                   | 1,152.51  |
| Investments                                             | 7,925.54                      | -                                                   | 7,925.54 | 10,756.28                     | -                                                   | 10,756.28 |
| Other Assets                                            | 417.29                        | -                                                   | 417.29   | 444.64                        | -                                                   | 444.64    |
| Non-fund commitments (LCs/BGs)                          | 96.23                         | -                                                   | 96.23    | 22.53                         | -                                                   | 22.53     |
| <b>During the year</b>                                  | <b>During FY 2023-24</b>      |                                                     |          | <b>During FY 2022-23</b>      |                                                     |           |
| Interest Income                                         | 133.61                        | -                                                   | 133.61   | 111.19                        | -                                                   | 111.19    |
| Interest expenditure                                    | 143.67                        | -                                                   | 143.67   | 80.69                         | -                                                   | 80.69     |
| Income earned by way of dividend                        | 25.99                         | -                                                   | 25.99    | 20.81                         | -                                                   | 20.81     |
| Other Income                                            | 3.51                          | -                                                   | 3.51     | 3.16                          | -                                                   | 3.16      |
| Other expenditure                                       | 33.59                         | -                                                   | 33.59    | 13.17                         | -                                                   | 13.17     |
| Profit/(loss) on sale of land/building and other assets | (0.02)                        | -                                                   | (0.02)   | (0.12)                        | -                                                   | (0.12)    |
| Management contracts                                    | -                             | 2.21                                                | 2.21     | -                             | 2.21                                                | 2.21      |

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

**e. Accounting Standard – 19 “Leases”:**

- i. Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the Bank.
- ii. Liability for Premises taken on Non-Cancellable operating lease are given below:

| (₹ in Crore)                                 |                                      |                                      |
|----------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                  | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| Not later than 1 year                        | 58.39                                | 37.34                                |
| Later than 1 year and not later than 5 years | 25.88                                | 31.97                                |
| Later than 5 years                           | 8.90                                 | 5.99                                 |
| <b>Total</b>                                 | <b>93.17</b>                         | <b>75.30</b>                         |

- iii. Amount of lease payments recognised in the P&L Account for operating leases is ₹4,412.43 Crore (Previous year ₹4,104.59 Crore).

**f. Accounting Standard -20 “Earnings per Share”:**

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - "Earnings per Share". "Basic earnings" per share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year.

| Particulars                                                                         | Current Year  | Previous Year |
|-------------------------------------------------------------------------------------|---------------|---------------|
| <b>Basic and diluted</b>                                                            |               |               |
| Number of Equity Shares outstanding at the beginning of the year                    | 892,46,11,934 | 892,46,11,534 |
| Number of Equity Shares issued during the year                                      | Nil           | 400           |
| Number of Equity Shares outstanding at the end of the year                          | 892,46,11,934 | 892,46,11,934 |
| Weighted average number of equity shares used in computing basic earnings per share | 892,46,11,934 | 892,46,11,707 |
| Weighted average number of shares used in computing diluted earnings per share      | 892,46,11,934 | 892,46,11,707 |
| Net profit / (loss) (₹ in Crore)                                                    | 61,076.62     | 50,232.45     |
| Basic earnings per share (₹)                                                        | 68.44         | 56.29         |
| Diluted earnings per share (₹)                                                      | 68.44         | 56.29         |
| Nominal value per share (₹)                                                         | 1.00          | 1.00          |

**g. Accounting Standard – 22 “Accounting for Taxes on Income”:**

**a. Current Tax:**

During the year the Bank has debited to Profit & Loss Account ₹22,871.63 Crore (Previous Year ₹21,223.93 Crore) on account of current tax. The Current Tax in India has been calculated in accordance with the provisions of Income Tax Act, 1961 after taking appropriate relief for taxes paid in foreign jurisdictions.

**b. Deferred Tax:**

During the year ₹2,165.29 Crore has been credited to Profit and Loss Account (Previous Year credit ₹4,250.74 Crore) on account of deferred tax.

# Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

The Bank has a net DTA of ₹11,423.87 Crore (Previous Year net DTA of ₹10,534.21 Crore), which comprises of DTL of ₹7.60 Crore (Previous Year ₹0.01 Crore) included under 'Other Liabilities and Provisions' and Deferred Tax Assets (DTA) of ₹11,431.47 Crore (Previous Year ₹10,534.22 Crore) included under 'Other Assets'. The major components of DTA and DTL is given below:

| (₹ in Crore)                                                    |                                      |                                      |
|-----------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                     | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| <b>Deferred Tax Assets (DTA)</b>                                |                                      |                                      |
| Provision for long term employee Benefits                       | 13,645.91                            | 9,105.22                             |
| Provision for advances                                          | 5,910.46                             | 6,244.09                             |
| Provision for Other Assets/Other Liabilities                    | 3,033.08                             | 3,736.75                             |
| On Foreign Currency Translation Reserve                         | 1,101.26                             | 1,686.01                             |
| Depreciation on Fixed Assets                                    | 404.19                               | 352.03                               |
| On account of Foreign Offices                                   | 432.86                               | 476.14                               |
| <b>Total</b>                                                    | <b>24,527.76</b>                     | <b>21,600.24</b>                     |
| <b>Deferred Tax Liabilities (DTL)</b>                           |                                      |                                      |
| Interest accrued but not due on Securities                      | 7,191.40                             | 6,598.88                             |
| Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 | 4,914.57                             | 4,467.14                             |
| ICDS-Interest on Income Tax Refund accrued & not received       | 990.32                               | -                                    |
| On account of Foreign Offices                                   | 7.60                                 | 0.01                                 |
| <b>Total</b>                                                    | <b>13,103.89</b>                     | <b>11,066.03</b>                     |
| <b>Net Deferred Tax Assets/(Liabilities)</b>                    | <b>11,423.87</b>                     | <b>10,534.21</b>                     |

The Bank had exercised the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 from the financial year 2019-20 onwards.

## h. Accounting Standard - 27 "Financial Reporting of interests in Joint Ventures":

Investments include ₹28.06 Crore (Previous Year ₹28.06 Crore) representing Bank's interest in the following jointly controlled entities.

| Sr. No       | Name of the Company                                             | Amount<br>(₹ in Crore)   | Country of Residence | Holding %    |
|--------------|-----------------------------------------------------------------|--------------------------|----------------------|--------------|
| 1            | C - Edge Technologies Ltd.                                      | 4.90<br>(4.90)           | India                | 49%<br>(49%) |
| 2            | SBI Macquarie Infrastructure Management Pvt. Ltd.               | 18.57<br>(18.57)         | India                | 45%<br>(45%) |
| 3            | SBI Macquarie Infrastructure Trustee Pvt. Ltd.                  | 0.03<br>(0.03)           | India                | 45%<br>(45%) |
| 4            | Maquarie SBI Infrastructure Management Pte. Ltd.                | 2.25<br>(2.25)           | Singapore            | 45%<br>(45%) |
| 5            | Macquarie SBI Infrastructure Trustee Ltd. #                     | -<br>(-)                 | Bermuda              | 45%<br>(45%) |
| 6            | Oman India Joint Investment Fund - Management Company Pvt. Ltd. | 2.30<br>(2.30)           | India                | 50%<br>(50%) |
| 7            | Oman India Joint Investment Fund - Trustee Company Pvt. Ltd.    | 0.01<br>(0.01)           | India                | 50%<br>(50%) |
| <b>Total</b> |                                                                 | <b>28.06<br/>(28.06)</b> |                      |              |

# Indirect holding through Maquarie SBI Infra Management Pte. Ltd., against which the company has made 100% provision on investments.  
(Figures in brackets relate to previous year)

As required by AS 27, the aggregate amount of the assets, liabilities, income, expenses, contingent liabilities and commitments related to the Bank's interests in jointly controlled entities are disclosed as under:

| (₹ in Crore)                                           |                                      |                                      |
|--------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                            | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| <b>Liabilities</b>                                     |                                      |                                      |
| Capital & Reserves                                     | 244.45                               | 220.31                               |
| Deposits                                               | -                                    | -                                    |
| Borrowings                                             | -                                    | -                                    |
| Other Liabilities & Provisions                         | 52.47                                | 41.58                                |
| <b>Total</b>                                           | <b>296.92</b>                        | <b>261.89</b>                        |
| <b>Assets</b>                                          |                                      |                                      |
| Cash and Balances with RBI                             | -                                    | -                                    |
| Balances with Banks and money at call and short notice | 157.53                               | 147.43                               |
| Investments                                            | 22.01                                | 22.71                                |
| Advances                                               | -                                    | -                                    |
| Fixed Assets                                           | 32.85                                | 20.40                                |
| Other Assets                                           | 84.53                                | 71.35                                |
| <b>Total</b>                                           | <b>296.92</b>                        | <b>261.89</b>                        |
| Capital Commitments                                    | -                                    | -                                    |
| Other Contingent Liabilities                           | 1.49                                 | 1.49                                 |
| <b>Income</b>                                          |                                      |                                      |
| Interest earned                                        | 10.16                                | 8.27                                 |
| Other income                                           | 218.30                               | 188.40                               |
| <b>Total</b>                                           | <b>228.46</b>                        | <b>196.67</b>                        |
| <b>Expenditure</b>                                     |                                      |                                      |
| Interest expended                                      | -                                    | 0.18                                 |
| Operating expenses                                     | 164.34                               | 152.52                               |
| Provisions & contingencies                             | 17.51                                | 15.18                                |
| <b>Total</b>                                           | <b>181.85</b>                        | <b>167.88</b>                        |
| <b>Profit</b>                                          | <b>46.61</b>                         | <b>28.79</b>                         |

**i. Accounting Standard – 28 “Impairment of Assets”:**

In the opinion of the Bank's Management, there is no indication of impairment to the non-monetary assets during the year.

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## j. Accounting Standard – 29 “Provisions, Contingent Liabilities and Contingent Assets”:

### Description of Contingent liabilities:

| Sr. No. | Particulars                                                                                 | Brief Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Claims against the Bank not acknowledged as debts                                           | The Bank is a party to various proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows. The Bank is also a party to various taxation matters in respect of which appeals are pending.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 2       | Liability on partly paid-up investments/ Venture Funds                                      | This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 3       | Liability on account of outstanding forward exchange contracts                              | The Bank enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as Contingent Liabilities. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.                                                                                                                                                                                                                                                    |
| 4       | Guarantees given on behalf of constituents, acceptances, endorsements and other obligations | As a part of its commercial Banking activities, the Bank issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 5       | Other items for which the Bank is contingently liable                                       | The Bank enters into currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by the Bank on behalf of Associates & Subsidiaries, Bank's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities. |

The Contingent Liabilities mentioned above are dependent upon the outcome of Court/ arbitration/out of Court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be.

### Movement of provisions against Contingent Liabilities:

The movement of provisions against contingent liabilities given in the table below:

| Particulars                                  | (₹ in Crore)    |                 |
|----------------------------------------------|-----------------|-----------------|
|                                              | Current Year    | Previous Year   |
| Opening balance                              | 3,109.95        | 3,664.18        |
| Additions during the year                    | 127.22          | 143.54          |
| Less: Amount utilised during the year        | 534.11          | 86.59           |
| Less: Unused amount reversed during the year | 99.38           | 611.18          |
| <b>Closing balance</b>                       | <b>2,603.68</b> | <b>3,109.95</b> |

## 18.15. ADDITIONAL DISCLOSURES

### a. **Payment to Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006:**

There has been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises.

### b. **Letter of Comfort:**

The Bank has given Letter of Comfort to the Governor, Bank of Indonesia for its subsidiary Bank SBI Indonesia, a foreign Subsidiary. Letter of Comfort has been given to the Minister of Finance, Ottawa, Ontario, Canada for SBI Canada Bank, a foreign Subsidiary. The consolidated amount for this letter of comfort is ₹2,085.13 Crore (USD 250 Mio) as at 31<sup>st</sup> March, 2024. (Previous year ₹2,054.25 Crore).

Bank has issued letter of Comfort of ₹0.71 Crore plus applicable interest and charges to MUDRA Ltd. for Nagaland Rural Bank on 22<sup>nd</sup> November 2023 for a period of three years from the date of issue till the issuance of no dues certificate by MUDRA Ltd. towards the repayment of refinance liabilities whichever is later.

### c. **Inter Office Accounts:**

Inter Office Accounts between branches, controlling offices, local head offices and Corporate Centre establishments are being reconciled on an ongoing basis and there is no material effect on the profit and loss account of the current year.

### d. **Provision on accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC):**

As per RBI letters no. DBR.No.BP.15199/21.04.048/2016-17 and DBR. No. BP. 1906/21.04.048/ 2017-18 dated 23<sup>rd</sup> June 2017 and 28<sup>th</sup> August 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the bank is holding total provision of ₹3,783.03 Crore (100% of total outstanding) as on 31<sup>st</sup> March 2024 (Previous Year ₹3,935.48 Crore {100% of total outstanding})

### e. **Provision for Wage Revision:**

The Bank has made a total provision of ₹15,877.09 Crore towards arrears of wages due for revision w.e.f. 1<sup>st</sup> November 2022. On signing of the 12<sup>th</sup> Bi-partite wage settlement and 9<sup>th</sup> Joint Note on 8<sup>th</sup> March 2024, the salary was revised during the month of March 2024 and accordingly provisions of ₹14,134.86 Crore was utilised. The balance of ₹1,742.23 Crore is yet to be disbursed towards residual salary revision and ex-gratia for pensioners/family pensioners.

### f. **Exceptional items:**

During the year ended on 31<sup>st</sup> March 2024 the Bank has recognised following as exceptional items:

- a. Provision of ₹5,400 Crore for estimated liability on account of pension at uniform rate of 50% for all pensioners prospectively, in place of existing dual rate of calculation of pension.
- b. Provision of ₹1,700 Crore on account of ex-gratia benefit and neutralisation of Dearness Relief to pre-November 2002 retirees and family pensioners.

### g. The Central Board has declared a dividend of ₹13.70 per share @ 1370% for the year ended 31<sup>st</sup> March 2024.

### h. Previous year figures have been regrouped/reclassified, wherever necessary, to conform to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines/Accounting Standards, previous year's figures have not been mentioned.

# State Bank of India

Cash Flow Statement for the year ended 31<sup>st</sup> March, 2024

(000s omitted)

| Particulars                                                                                              | Year ended<br>31.03.2024<br>₹ | Year ended<br>31.03.2023<br>₹ |
|----------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>                                                              |                               |                               |
| Net Profit / (Loss) before Taxes                                                                         | 81782,96,36                   | 67205,63,25                   |
| <b>Adjustments for:</b>                                                                                  |                               |                               |
| Depreciation on Fixed Assets                                                                             | 3351,91,61                    | 3297,27,04                    |
| (Profit)/Loss on sale of Fixed Assets (Net)                                                              | 33,20,20                      | 29,78,85                      |
| (Profit)/Loss on revaluation of Investments (Net)                                                        | (4939,17,35)                  | 4644,43,56                    |
| Provision for diminution in fair value & Non Performing Assets                                           | 9517,62,67                    | 9143,92,59                    |
| Provision on Standard Assets                                                                             | (1340,86,63)                  | 5618,54,85                    |
| Provision on non-performing Investments                                                                  | (593,18,23)                   | 1513,84,35                    |
| Other provisions including provision for contingencies                                                   | (2669,36,48)                  | 231,01,57                     |
| Income from investment in Subsidiaries / Joint Ventures / Associates                                     | (1961,61,63)                  | (855,10,80)                   |
| Interest charged on Capital Instruments                                                                  | 9550,46,11                    | 6387,15,64                    |
|                                                                                                          | <b>92731,96,63</b>            | <b>97216,50,90</b>            |
| <b>Adjustments for:</b>                                                                                  |                               |                               |
| Increase/(Decrease) in Deposits                                                                          | 492298,99,29                  | 372243,65,37                  |
| Increase/ (Decrease) in Borrowings other than Capital Instruments                                        | 99757,95,17                   | 49958,77,64                   |
| (Increase)/ Decrease in Investments other than investments in Subsidiaries / Joint Ventures / Associates | (93931,55,71)                 | (94349,41,25)                 |
| (Increase)/ Decrease in Advances                                                                         | (514219,18,39)                | (474446,62,98)                |
| Increase/ (Decrease) in Other Liabilities                                                                | 15971,11,15                   | 31320,55,51                   |
| (Increase)/ Decrease in Other Assets                                                                     | (44811,28,24)                 | (57942,51,27)                 |
|                                                                                                          | <b>47797,99,90</b>            | <b>(75999,06,08)</b>          |
| Tax refund/ (Taxes paid)                                                                                 | (28776,10,67)                 | (15352,75,44)                 |
| <b>NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES</b>                                           | <b>A</b>                      | <b>19021,89,23</b>            |
| <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>                                                              |                               |                               |
| Purchase of Investments in Subsidiaries / Joint Ventures / Associates                                    | (1509,51,75)                  | (729,62,26)                   |
| Income from investment in Subsidiaries / Joint Ventures / Associates                                     | 1961,61,63                    | 855,10,80                     |
| (Increase) in Fixed Assets                                                                               | (3505,01,66)                  | (3422,52,21)                  |
| <b>NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES</b>                                           | <b>B</b>                      | <b>(3052,91,78)</b>           |
|                                                                                                          |                               | <b>(3297,03,67)</b>           |



(000s omitted)

| Particulars                                                                  | Year ended<br>31.03.2024<br>₹ | Year ended<br>31.03.2023<br>₹ |
|------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| <b>CASH FLOW FROM FINANCING ACTIVITIES:</b>                                  |                               |                               |
| Proceeds from issue of equity shares including share premium                 | -                             | 64                            |
| Issue of Capital Instruments                                                 | 18101,00,00                   | 19133,00,00                   |
| Redemption of Capital Instruments                                            | (13433,20,00)                 | (2000,00,00)                  |
| Interest paid on Capital Instruments                                         | (8438,35,77)                  | (5594,52,73)                  |
| Dividend paid                                                                | (10084,81,15)                 | (6336,72,16)                  |
| <b>NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES</b>               | <b>C (13855,36,92)</b>        | <b>5201,75,75</b>             |
| <b>EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE</b>                 | <b>D 788,76,47</b>            | <b>2794,39,13</b>             |
| <b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C+D)</b>      | <b>2902,37,00</b>             | <b>(86652,70,31)</b>          |
| <b>CASH AND CASH EQUIVALENTS AS AT 1<sup>st</sup> APRIL</b>                  | <b>307899,61,80</b>           | <b>394552,32,11</b>           |
| <b>CASH AND CASH EQUIVALENTS AS AT THE YEAR END</b>                          | <b>310801,98,80</b>           | <b>307899,61,80</b>           |
| <b>Notes:</b>                                                                |                               |                               |
| 1. Components of Cash & Cash Equivalents as at:                              | <b>31.03.2024</b>             | <b>31.03.2023</b>             |
| Cash & Balance with RBI                                                      | 225141,69,61                  | 247087,57,52                  |
| Balances with Banks and money at call & short notice                         | 85660,29,19                   | 60812,04,28                   |
|                                                                              | <b>310801,98,80</b>           | <b>307899,61,80</b>           |
| 2. Cash flow from operating activities is reported by using indirect method. |                               |                               |

**Shri Vinay M. Tonse**  
Managing Director  
(Retail Business & Operations)

**Shri Alok Kumar Choudhary**  
Managing Director  
(Risk, Compliance & SARG)

**Shri Ashwini Kumar Tewari**  
Managing Director  
(Corporate Banking & Subsidiaries)

**Shri Challa Sreenivasulu Setty**  
Managing Director  
(International Banking, Global  
Markets & Technology)

**Directors:**

Shri Ketan S. Vikamsey  
Shri Mrugank M. Paranjape  
Shri Dharmendra Singh Shekhawat  
Shri Prafulla P. Chhajed  
Smt. Swati Gupta  
Shri Ajay Kumar

**Shri Dinesh Kumar Khara**  
Chairman

**Place: Mumbai**  
**Date: 9<sup>th</sup> May 2024**

In terms of our report of even date

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

**CA Chirag Bakshi**  
Partner: M. No. 047164

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

**CA Sanjeev Aditya M**  
Partner: M. No. 229694

**For Gokhale & Sathe**  
Chartered Accountants  
Firm Regn. No.103264W

**CA Rahul Joglekar**  
Partner: M. No. 129389

**For Vinod Kumar & Associates**  
Chartered Accountants  
Firm Regn. No. 002304N

**CA Vinod Jain**  
Partner: M. No. 081263

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

**CA Amit Biswas**  
Partner: M. No. 052296

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

**CA Anand Sharma**  
Partner: M. No.129033

**For M K Aggarwal & Co.**  
Chartered Accountants  
Firm Regn. No.001411N

**CA Atul Aggarwal**  
Partner: M. No.099374

**For R G N Price & Co.**  
Chartered Accountants  
Firm Regn. No.002785S

**CA P. M. Veeramani**  
Partner: M. No. 023933

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

**CA Sundeep Singhi**  
Partner: M. No. 063785

**For Ravi Rajan & Co. LLP**  
Chartered Accountants  
Firm Regn. No. 009073N / N500320

**CA Sumit Kumar**  
Partner: M. No.512555

**For J L N U S & Co.**  
Chartered Accountants  
Firm Regn. No.101543W

**CA Shalabh Kumar Daga**  
Partner: M. No.401428

**For Rama K Gupta & Co.**  
Chartered Accountants  
Firm Regn. No.005005C

**CA Ramakant Gupta**  
Partner: M. No.073853

Place: Mumbai  
Date: 9<sup>th</sup> May 2024

# Independent Auditors' Report

To

**The President of India**

## **REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS OF STATE BANK OF INDIA**

### **Opinion**

1. We have audited the accompanying Standalone Financial Statements of State Bank of India ("the Bank") which comprise the Balance Sheet as at March 31, 2024, the Profit and Loss Account and the Statement of Cash Flow for the year then ended, and Notes to Standalone Financial Statements including a summary of Significant Accounting Policies and other explanatory information in which are included returns for the year ended on that date of:
  - i. The Central offices, 17 Local Head offices, Global Market Unit, International Business Group, Corporate Accounts Group (Central), Commercial Client Group (Central), Stressed Asset Resolution Group (Central), Central Accounts Offices and 20 branches audited by us and;
  - ii. 5999 Indian branches audited by respective Statutory Branch Auditors;
  - iii. 35 Foreign branches audited by respective Local Auditors;

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India (RBI). Also incorporated in the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows are the returns from 19149 Indian branches (including other accounting units) which have not been subjected to audit. These unaudited branches account for 23.41% of advances, 38.60% of deposits, 18.37% of interest income and 34.66% of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act, 1949 and State Bank of India Act, 1955 in the manner so required for the Bank and are in conformity with accounting principles generally accepted in India and:

- a) the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31<sup>st</sup> March, 2024;
- b) the Profit and Loss Account, read with the notes thereon shows a true balance of profit for the year ended on that date; and
- c) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

### **Basis for Opinion**

2. We conducted our audit in accordance with the Standards on Auditing ("SAs") issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Standalone Financial Statements, prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the ICAI, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

3. Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

# Independent Auditors' Report

| Sr. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i       | <p>Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances (Refer Schedule 9 read with Note 3 of Schedule 17 to the financial statements)</p> <p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances.</p> <p>Advances constitute 59.94% of the Bank's total assets. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non- performing Advances (NPA) except in case of foreign offices, classification of advances and provisioning thereof is made as per local regulations or RBI guidelines, whichever is more stringent. The Bank classifies these Advances based on IRAC norms as per its accounting policy No. 3.</p> <p>Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which identifies whether the advances are performing or non- performing.</p> <p>Further, NPA classification and calculation of provision (except in case of foreign offices) is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application Software and other processes.</p> <p>The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed.</p> <p>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgement involved in valuation of securities and calculation of provisions, it is a matter of high importance for the intended users of the Standalone Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances</p> | <p>Our audit approach towards advances with reference to the IRAC norms and other related circulars/directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of controls on sample basis,</p> <ol style="list-style-type: none"> <li>The accuracy of the data input in the system for income recognition, classification into performing and non performing Advances and provisioning in accordance with the IRAC norms in respect of the branches audited by us;</li> <li>Existence and effectiveness of monitoring mechanisms such as Internal Audit, Systems Audit, Credit Audit and Concurrent Audit as per the policies and procedures of the Bank;</li> <li>Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines/ Judicial pronouncements;</li> <li>We have relied on the reports of IT System Audit by IAD with respect to the business logics / parameters inbuilt in CBS and CCDP for tracking, identification and stamping of NPAs and provisioning in respect thereof.</li> <li>We tested the mapping of advances in the CCDP application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.</li> <li>We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection.</li> <li>In carrying out substantive procedures at the branches audited by us, we have examined large advances/ stressed advances while other advances have been examined on a sample basis including review of valuation reports of independent valuers provided by the Bank's management.</li> <li>We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision;</li> <li>Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication.</li> <li>Bank has laid down detailed Standard Operating Procedure to ensure control over processes. We have relied on these Standard Operating Procedures and have conducted our testing based on these Standard Operating Procedures.</li> </ol> |

| Sr. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ii      | <p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements)</p> <p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities.</p> <p>Investments constitute 27.05 per cent of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against.</p> <p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of non performing investments and provisioning related to investments</p> | <p>Our audit approach towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non performing investments (NPIs), provisioning/depreciation related to Investments. In particular;</p> <ol style="list-style-type: none"> <li>We understood and evaluated the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, provisioning/depreciation related to investments;</li> <li>We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;</li> <li>For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample;</li> <li>We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;</li> <li>We carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs;</li> <li>We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.</li> </ol> |

# Independent Auditors' Report

| Sr. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| iii     | <p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 18.13 of Schedule 18 to the financial statements):</p> <p>There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgement, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgement in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgements/ interpretation of law involved.</p>                                                                                                                                                                                         | <p>Our audit approach involved:</p> <ul style="list-style-type: none"> <li>a. Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances;</li> <li>b. Understanding the current status of the litigations/tax assessments including the status up to the date of auditor's report;</li> <li>c. Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;</li> <li>d. Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of our internal tax experts;</li> <li>e. Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and</li> <li>f. Verification of disclosures related to significant litigations and taxation matters.</li> </ul> |
| iv      | <p>Valuation of employees' defined benefit obligations:</p> <p>The Bank has recognised long-term defined benefit obligations for its employees on actuarial basis. Pension and gratuity obligations are funded by the Bank. Shortfall, if any, in Bank's Provident Fund Scheme is also provided for on actuarial basis. The Bank makes periodic contributions to fund administered by Trustees based on an independent external actuarial valuation carried out annually. Unfunded long-term defined benefit obligations are compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The cost of providing unfunded long-term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date.</p> <p>The actuarial valuations of employee benefit obligations are dependent on market conditions and assumptions made. The key audit matter specifically relates to the following key assumptions: discount rate, inflation expectations and life expectancy assumptions. The setting of these assumptions is complex and requires the exercise of significant management judgement with the support of third-party actuary.</p> | <p>We tested governance and controls in place over the methodologies and the significant assumptions, including those in relation to the use of management's experts. We examined the reports of external actuarial specialist and reviewed the key actuarial assumptions used, both financial and demographic, and considered the methodology applied to derive these assumptions including review of input data provided for actuarial valuations of employees' defined benefit obligations. Furthermore, we have examined the sensitivity analysis on the key assumptions in valuing the defined benefit obligations. We also evaluated the objectivity and competence of management's expert involved in the valuation of the defined benefit obligation. We assessed the appropriateness of the methodology used, and tested the accuracy of the calculation, to estimate the liability.</p>                                                                                                                                                                                                             |

## Information Other than the Standalone Financial Statements and Auditors' Report thereon

4. The Bank's Board of Directors is responsible for preparation of the Other Information. The Other Information comprises the Corporate Governance Report which we obtained at the time of issue of this report. The Other Information also includes Directors' Report including annexures in Annual Report but does not include the Standalone Financial Statements and our Auditors' Report thereon, which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the Standalone Financial Statements does not cover the Other Information and Pillar 3 disclosures under the Basel III and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the Other Information that we obtained prior to the date of this Auditors' Report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this matter.

## Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

5. The Bank's Board of Directors is responsible with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India including the Accounting Standards issued by ICAI to the extent applicable, and provisions of Section 29 of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and circulars and guidelines issued by RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the above mentioned Acts for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls,

that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.

## Auditors' Responsibilities for the Audit of the Standalone Financial Statements

6. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement whether due to fraud or error and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

# Independent Auditors' Report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the Key Audit Matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

7. We did not audit the financial statements / information of 6034 branches (including 35 Foreign branches) included in the Standalone Financial Statements of the Bank whose financial statements/ financial information reflects total assets of ₹23,18,952 Crore at March 31, 2024 and total revenue of ₹1,77,712 Crore for the year ended on that date, as considered in the Standalone Financial Statements. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of the above matter.

## Report on Other Legal and Regulatory Requirements

8. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949; and these give information as required to be given by virtue of the provisions of the State Bank of India Act, 1955 and regulations there under.

Subject to the limitations of the audit indicated in paragraphs 6 to 8 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required therein and as required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
- b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
- d) The profit and loss account shows the true balance of profit for the year ended 31.3.2024.



9. We further report that:

- a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- b) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
- c) the reports on the accounts of the branch offices audited by branch auditors of the Bank as per the provisions of the section 29 of the Banking Regulation Act, 1949, and the State Bank of India Act, 1955 have been sent to us and have been properly dealt with by us in preparing this report; and
- d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

10. As required by letter No. DOS.ARG/SEC.01/08.91.001/2021-22No.6270/08.91.001/2019-20 dated April 27, 2021 on "Appointment of Statutory Central Auditors (SCAs) in

Public Sector Banks – Reporting obligations for SCAs", we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

- a) In our opinion, the aforesaid Standalone Financial Statements comply with the applicable Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
- b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Bank.
- c) As the bank is not registered under the Companies Act, 2013 the disqualifications from being a director of the bank under sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank.
- d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
- e) Our Audit report on the adequacy and operating effectiveness of the Bank's Internal Financial Controls over Financial Reporting is given in Annexure – A to this report expressing an unmodified opinion on the Bank's Internal Financial Control over Financial Reporting with reference to the Standalone Financial Statements as at 31<sup>st</sup> March, 2024.

In terms of our report of even date

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

**CA Chirag Bakshi**  
Partner: M. No. 047164  
UDIN: 24047164BKAKPO1118

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

**CA Sanjeev Aditya M**  
Partner: M. No. 229694  
UDIN: 24229694BKARMO1542

**For Gokhale & Sathe**  
Chartered Accountants  
Firm Regn. No.103264W

**CA Rahul Joglekar**  
Partner: M. No. 129389  
UDIN: 24129389BKASPR8299

**For Vinod Kumar & Associates**  
Chartered Accountants  
Firm Regn. No. 002304N

**CA Vinod Jain**  
Partner: M. No. 081263  
UDIN: 24081263BKGYUV2042

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

**CA Amit Biswas**  
Partner: M. No. 052296  
UDIN: 24052296BKFZHR5371

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

**CA Anand Sharma**  
Partner: M. No.129033  
UDIN: 24129033BKAANY7294

**For M K Aggarwal & Co.**  
Chartered Accountants  
Firm Regn. No.001411N

**CA Atul Aggarwal**  
Partner: M. No.099374  
UDIN: 24099374BKALZG1965

**For R G N Price & Co.**  
Chartered Accountants  
Firm Regn. No.002785S

**CA P. M. Veeramani**  
Partner: M. No. 023933  
UDIN: 24023933BKCMZQ8159

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

**CA Sundeep Singhi**  
Partner: M. No. 063785  
UDIN: 24063785BKFFTF8193

**For Ravi Rajan & Co. LLP**  
Chartered Accountants  
Firm Regn. No. 009073N / N500320

**CA Sumit Kumar**  
Partner: M. No.512555  
UDIN: 24512555BKFTPY8277

**For J L N U S & Co.**  
Chartered Accountants  
Firm Regn. No.101543W

**CA Shalabh Kumar Daga**  
Partner: M. No.401428  
UDIN: 24401428BKEFLA5095

**For Rama K Gupta & Co.**  
Chartered Accountants  
Firm Regn. No.005005C

**CA Ramakant Gupta**  
Partner: M. No.073853  
UDIN: 24073853BKHCVC7674

Place: Mumbai  
Date: 9<sup>th</sup> May 2024

# Annexure "A" to the Independent Auditors' Report

**(Referred to in paragraph 11(e) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the "RBI") Letter DOS.ARG. No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the "RBI communication")**

We have audited the internal financial controls over financial reporting of State Bank of India ("the Bank") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting of the Bank's branches.

## **Management's Responsibility for Internal Financial Controls**

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial

controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls Over Financial Reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls over financial reporting.

## **Meaning of Internal Financial Controls Over Financial Reporting**

A Bank's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

# Annexure "A" to the Independent Auditors' Report

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the Other

Matters paragraph below, the Bank has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on "the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI".

## Other Matters

Our aforesaid report in so far as it relates to the operating effectiveness of internal financial controls over financial reporting of 955 branches is based on the corresponding reports of the respective branch auditors of those branches.

Our opinion is not modified in respect of this matter.

In terms of our report of even date

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

**CA Chirag Bakshi**  
Partner: M. No. 047164  
UDIN: 24047164BKAKPO1118

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

**CA Sanjeev Aditya M**  
Partner: M. No. 229694  
UDIN: 24229694BKARMO1542

**For Gokhale & Sathe**  
Chartered Accountants  
Firm Regn. No.103264W

**CA Rahul Joglekar**  
Partner: M. No. 129389  
UDIN: 24129389BKASPR8299

**For Vinod Kumar & Associates**  
Chartered Accountants  
Firm Regn. No. 002304N

**CA Vinod Jain**  
Partner: M. No. 081263  
UDIN: 24081263BKGYUV2042

**For M C Bhandari & Co.**  
Chartered Accountants  
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**CA Amit Biswas**  
Partner: M. No. 052296  
UDIN: 24052296BKFZHR5371

**For Talati & Talati LLP**  
Chartered Accountants  
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UDIN: 24129033BKAANY7294

**For M K Aggarwal & Co.**  
Chartered Accountants  
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Partner: M. No.099374  
UDIN: 24099374BKALZG1965

**For R G N Price & Co.**  
Chartered Accountants  
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Partner: M. No. 023933  
UDIN: 24023933BKCMZQ8159

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

**CA Sundeep Singhi**  
Partner: M. No. 063785  
UDIN: 24063785BKFFTF8193

**For Ravi Rajan & Co. LLP**  
Chartered Accountants  
Firm Regn. No. 009073N / N500320

**CA Sumit Kumar**  
Partner: M. No.512555  
UDIN: 24512555BKFTPY8277

**For J L N U S & Co.**  
Chartered Accountants  
Firm Regn. No.101543W

**CA Shalabh Kumar Daga**  
Partner: M. No.401428  
UDIN: 24401428BKEFLA5095

**For Rama K Gupta & Co.**  
Chartered Accountants  
Firm Regn. No.005005C

**CA Ramakant Gupta**  
Partner: M. No.073853  
UDIN: 24073853BKHCVC7674

Place: Mumbai  
Date: 9<sup>th</sup> May 2024

# State Bank of India

Consolidated Balance Sheet as at 31<sup>st</sup> March 2024

## Consolidated Financials

(000s omitted)

|                                                      | Schedule No. | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
|------------------------------------------------------|--------------|-----------------------------------------|------------------------------------------|
| <b>CAPITAL AND LIABILITIES</b>                       |              |                                         |                                          |
| Capital                                              | 1            | 892,46,12                               | 892,46,12                                |
| Reserves & Surplus                                   | 2            | 414046,71,03                            | 358038,85,69                             |
| Minority Interest                                    | 2A           | 15617,96,24                             | 12836,61,94                              |
| Deposits                                             | 3            | 4966537,48,72                           | 4468535,50,68                            |
| Borrowings                                           | 4            | 639609,50,29                            | 521151,94,98                             |
| Other Liabilities and Provisions                     | 5            | 697074,67,57                            | 592962,92,29                             |
| <b>TOTAL</b>                                         |              | <b>6733778,79,97</b>                    | <b>5954418,31,70</b>                     |
| <b>ASSETS</b>                                        |              |                                         |                                          |
| Cash and Balances with Reserve Bank of India         | 6            | 225356,33,61                            | 247321,04,97                             |
| Balances with Banks and Money at Call & Short Notice | 7            | 101215,96,74                            | 70990,86,00                              |
| Investments                                          | 8            | 2110548,22,59                           | 1913107,85,64                            |
| Advances                                             | 9            | 3784272,67,05                           | 3267902,12,73                            |
| Fixed Assets                                         | 10           | 44708,17,73                             | 44407,38,10                              |
| Other Assets                                         | 11           | 467677,42,25                            | 410689,04,26                             |
| <b>TOTAL</b>                                         |              | <b>6733778,79,97</b>                    | <b>5954418,31,70</b>                     |
| Contingent Liabilities                               | 12           | 2397594,80,24                           | 1835524,38,19                            |
| Bills for Collection                                 |              | 67823,22,53                             | 64571,94,48                              |
| Significant Accounting Policies                      | 17           |                                         |                                          |
| Notes to Accounts                                    | 18           |                                         |                                          |

Schedules referred to above form an integral part of the Balance Sheet

**Shri Vinay M. Tonse**  
Managing Director  
(Retail Business & Operations)

**Shri Alok Kumar Choudhary**  
Managing Director  
(Risk, Compliance & SARG)

**Shri Ashwini Kumar Tewari**  
Managing Director  
(Corporate Banking & Subsidiaries)

**Shri Challa Sreenivasulu Setty**  
Managing Director  
(International Banking,  
Global Markets & Technology)

In terms of our report of even date  
**For K C Mehta & Co LLP**  
Chartered Accountants  
Firm Regn. No. 106237W/W100829

**Shri Dinesh Kumar Khara**  
Chairman

**CA Chirag Bakshi**  
Partner  
Membership No. 047164

**Place: Mumbai**  
**Date: 9<sup>th</sup> May 2024**

# Schedules

forming part of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2024

## SCHEDULE 1 - CAPITAL

|                                                                                                                                                                                                    | (000s omitted)                          |                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                                                                                                                                                                    | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
| <b>Authorised Capital:</b>                                                                                                                                                                         |                                         |                                          |
| 5000,00,00,000 shares of ₹1 each<br>(Previous Year 5000,00,00,000 shares of ₹1 each)                                                                                                               | 5000,00,00                              | 5000,00,00                               |
| <b>Issued Capital:</b>                                                                                                                                                                             |                                         |                                          |
| 892,54,05,164 Equity shares of ₹1 each<br>(Previous Year 892,54,05,164 Equity shares of ₹1 each)                                                                                                   | 892,54,05                               | 892,54,05                                |
| <b>Subscribed and Paid up Capital:</b>                                                                                                                                                             |                                         |                                          |
| 892,46,11,934 Equity shares of ₹1 each<br>(Previous Year 892,46,11,934 Equity shares of ₹1 each)                                                                                                   | 892,46,12                               | 892,46,12                                |
| [The above includes 9,58,88,670 Equity shares of ₹1 each<br>(Previous Year 8,91,60,950 Equity shares of ₹1 each)<br>represented by 95,88,867 (Previous Year 89,16,095) Global Depository Receipts] |                                         |                                          |
| <b>TOTAL</b>                                                                                                                                                                                       | <b>892,46,12</b>                        | <b>892,46,12</b>                         |

## SCHEDULE 2 - RESERVES & SURPLUS

|                                                | (000s omitted)                          |                                          |
|------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
| <b>I. Statutory Reserves</b>                   |                                         |                                          |
| Opening Balance                                | 102309,50,32                            | 86939,14,12                              |
| Additions during the year                      | 18716,88,31                             | 15370,39,97                              |
| Deductions during the year                     | - 121026,38,63                          | 3,77 102309,50,32                        |
| <b>II. Capital Reserves</b>                    |                                         |                                          |
| Opening Balance                                | 16002,62,67                             | 15769,81,83                              |
| Additions during the year                      | 326,21,04                               | 232,80,84                                |
| Deductions during the year                     | - 16328,83,71                           | - 16002,62,67                            |
| <b>III. Share Premium</b>                      |                                         |                                          |
| Opening Balance                                | 79115,47,68                             | 79115,47,05                              |
| Additions during the year                      | -                                       | 63                                       |
| Deductions during the year                     | - 79115,47,68                           | - 79115,47,68                            |
| <b>IV. Investment Fluctuation Reserve</b>      |                                         |                                          |
| Opening Balance                                | 12271,38,17                             | 7695,94,74                               |
| Additions during the year                      | -                                       | 4575,43,43                               |
| Deductions during the year                     | 749,08,05 11522,30,12                   | - 12271,38,17                            |
| <b>V. Foreign Currency Translation Reserve</b> |                                         |                                          |
| Opening Balance                                | 14331,74,49                             | 11256,69,03                              |
| Additions during the year                      | 861,03,95                               | 3075,05,46                               |
| Deductions during the year                     | 85,08,14 15107,70,30                    | - 14331,74,49                            |

# Schedules

forming part of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2024

|                                               | (000s omitted)                          |                                          |
|-----------------------------------------------|-----------------------------------------|------------------------------------------|
|                                               | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
| <b>VI. Revenue and Other Reserves</b>         |                                         |                                          |
| Opening Balance                               | 63982,58,04                             | 59873,25,90                              |
| Additions during the year #                   | 7346,49,41                              | 4352,07,11                               |
| Deductions during the year                    | 356,86,54                               | 242,74,97                                |
|                                               | 70972,20,91                             | 63982,58,04                              |
| <b>VII. Revaluation Reserve</b>               |                                         |                                          |
| Opening Balance                               | 27756,25,90                             | 23377,86,71                              |
| Additions during the year                     | -                                       | 4578,34,93                               |
| Deductions during the year                    | 200,61,20                               | 199,95,74                                |
|                                               | 27555,64,70                             | 27756,25,90                              |
| <b>VIII. Capital Reserve on Consolidation</b> |                                         |                                          |
| Opening Balance                               | 345,98,14                               | 273,03,96                                |
| Additions during the year                     | 146,95,21                               | 72,94,18                                 |
| Deductions during the year                    | 93,96,30                                | -                                        |
|                                               | 398,97,05                               | 345,98,14                                |
| <b>IX. Balance in Profit and Loss Account</b> | 72019,17,93                             | 41923,30,28                              |
| <b>TOTAL</b>                                  | <b>414046,71,03</b>                     | <b>358038,85,69</b>                      |

# net of consolidation adjustments

Note: Revenue and Other Reserves include:

- (i) ₹5,00,00 thousand (Previous Year ₹5,00,00 thousand) of Integration and Development Fund (maintained under Section 36 of the State Bank of India Act, 1955)
- (ii) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 ₹19527,05,76 thousand (Previous Year ₹17749,30,76 thousand)
- (iii) Investment Reserve Nil (Previous Year Nil)
- (iv) Debenture Redemption Reserve ₹4,83,74 thousand (Previous Year Nil)

## SCHEDULE 2A - MINORITY INTEREST

|                                                       | (000s omitted)                          |                                          |
|-------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                       | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
| Minority Interest at the beginning of the year        | 12836,61,94                             | 11207,42,28                              |
| Subsequent increase/decrease during the year          | 2781,34,30                              | 1629,19,66                               |
| <b>Minority Interest on the date of balance sheet</b> | <b>15617,96,24</b>                      | <b>12836,61,94</b>                       |



### SCHEDULE 3 - DEPOSITS

| (000s omitted)                              |                                         |                                          |
|---------------------------------------------|-----------------------------------------|------------------------------------------|
|                                             | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
| <b>A. I. Demand Deposits</b>                |                                         |                                          |
| (i) From Banks                              | 5745,87,30                              | 3160,40,31                               |
| (ii) From Others                            | 303531,70,50                            | 302572,94,64                             |
| <b>II. Savings Bank Deposits</b>            | 1673652,24,52                           | 1600786,08,97                            |
| <b>III. Term Deposits</b>                   |                                         |                                          |
| (i) From Banks                              | 5107,34,24                              | 7611,65,56                               |
| (ii) From Others                            | 2978500,32,16                           | 2554404,41,20                            |
| <b>TOTAL</b>                                | <b>4966537,48,72</b>                    | <b>4468535,50,68</b>                     |
| <b>B. (i) Deposits of Branches in India</b> | 4718596,72,73                           | 4248617,47,94                            |
| (ii) Deposits of Branches outside India     | 247940,75,99                            | 219918,02,74                             |
| <b>TOTAL</b>                                | <b>4966537,48,72</b>                    | <b>4468535,50,68</b>                     |

### SCHEDULE 4 - BORROWINGS

| (000s omitted)                                           |             |                                         |             |                                          |
|----------------------------------------------------------|-------------|-----------------------------------------|-------------|------------------------------------------|
|                                                          |             | As at 31.03.2024<br>(Current Year)<br>₹ |             | As at 31.03.2023<br>(Previous Year)<br>₹ |
| <b>I. Borrowings in India</b>                            |             |                                         |             |                                          |
| (i) Reserve Bank of India                                |             | 98806,56,00                             |             | 26467,44,00                              |
| (ii) Other Banks                                         |             | 18549,19,38                             |             | 12929,14,36                              |
| (iii) Other Institutions and Agencies                    |             | 74966,15,25                             |             | 98387,56,25                              |
| (iv) Bonds & Debentures (Other than Capital Instruments) |             | 42703,00,00                             |             | 23073,00,00                              |
| (v) Capital Instruments:                                 |             |                                         |             |                                          |
| a. Innovative Perpetual Debt Instruments (IPDI)          | 50626,40,00 |                                         | 49842,70,00 |                                          |
| b. Subordinated Debt                                     | 45684,00,00 | 96310,40,00                             | 40679,90,00 | 90522,60,00                              |
| <b>TOTAL</b>                                             |             | <b>331335,30,63</b>                     |             | <b>251379,74,61</b>                      |
| <b>II. Borrowings outside India</b>                      |             |                                         |             |                                          |
| (i) Borrowings and Refinance outside India               |             | 307895,83,81                            |             | 269482,49,31                             |
| (ii) Capital Instruments:                                |             |                                         |             |                                          |
| a. Innovative Perpetual Debt Instruments (IPDI)          | -           |                                         | -           |                                          |
| b. Subordinated Debt                                     | 378,35,85   | 378,35,85                               | 289,71,06   | 289,71,06                                |
| <b>TOTAL</b>                                             |             | <b>308274,19,66</b>                     |             | <b>269772,20,37</b>                      |
| <b>GRAND TOTAL</b>                                       |             | <b>639609,50,29</b>                     |             | <b>521151,94,98</b>                      |
| Secured Borrowings included in I & II above              |             | 209699,57,92                            |             | 147932,42,29                             |

# Schedules

forming part of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2024

## SCHEDULE 5 - OTHER LIABILITIES & PROVISIONS

|                                                                 | (000s omitted)                          |                                          |
|-----------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                                 | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
| I. Bills payable                                                | 15700,29,22                             | 27408,12,08                              |
| II. Inter Bank Adjustments (Net)                                | 491,12,80                               | 235,50,41                                |
| III. Inter Office Adjustments (Net)                             | 1126,59,56                              | 4346,60,96                               |
| IV. Interest accrued                                            | 32861,61,48                             | 27495,02,55                              |
| V. Deferred Tax Liabilities (Net)                               | 23,20,84                                | 3,80,18                                  |
| VI. Liabilities relating to Policyholders in Insurance Business | 392280,43,19                            | 308442,71,80                             |
| VII. Provision for Standard Assets                              | 24851,72,15                             | 26332,69,39                              |
| VIII. Others (including provisions)                             | 229739,68,33                            | 198698,44,92                             |
| <b>TOTAL</b>                                                    | <b>697074,67,57</b>                     | <b>592962,92,29</b>                      |

## SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

|                                                             | (000s omitted)                          |                                          |
|-------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                             | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
| I. Cash in hand (including foreign currency notes and gold) | 18589,64,78                             | 21628,41,77                              |
| II. Balances with Reserve Bank of India                     |                                         |                                          |
| (i) In Current Account                                      | 206747,68,83                            | 225692,63,20                             |
| (ii) In Other Accounts                                      | 19,00,00                                | -                                        |
| <b>TOTAL</b>                                                | <b>225356,33,61</b>                     | <b>247321,04,97</b>                      |

## SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

|                                      | (000s omitted)                          |                                          |
|--------------------------------------|-----------------------------------------|------------------------------------------|
|                                      | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
| <b>I. In India</b>                   |                                         |                                          |
| (i) Balances with banks              |                                         |                                          |
| (a) In Current Account               | 2510,86,89                              | 1262,19,41                               |
| (b) In Other Deposit Accounts        | 5211,21,81                              | 4395,41,30                               |
| (ii) Money at call and short notice  |                                         |                                          |
| (a) With banks                       | 2550,00,00                              | 7770,44,34                               |
| (b) With Other Institutions          | 26988,48,58                             | -                                        |
| <b>TOTAL</b>                         | <b>37260,57,28</b>                      | <b>13428,05,05</b>                       |
| <b>II. Outside India</b>             |                                         |                                          |
| (i) In Current Account               | 45740,69,59                             | 44397,86,48                              |
| (ii) In Other Deposit Accounts       | 2279,82,71                              | 1816,80,21                               |
| (iii) Money at call and short notice | 15934,87,16                             | 11348,14,26                              |
| <b>TOTAL</b>                         | <b>63955,39,46</b>                      | <b>57562,80,95</b>                       |
| <b>GRAND TOTAL (I and II)</b>        | <b>101215,96,74</b>                     | <b>70990,86,00</b>                       |

## SCHEDULE 8 - INVESTMENTS

(000s omitted)

|                                                                               | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
|-------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>I. Investments in India in:</b>                                            |                                         |                                          |
| (i) Government Securities                                                     | 1515043,86,92                           | 1357221,39,54                            |
| (ii) Other Approved Securities                                                | 37831,75,34                             | 34762,19,16                              |
| (iii) Shares                                                                  | 149287,03,20                            | 105133,88,56                             |
| (iv) Debentures and Bonds                                                     | 258588,02,77                            | 285134,41,60                             |
| (v) Subsidiary and Associates #                                               | 17498,56,00                             | 16013,18,97                              |
| (vi) Others (Units of Mutual Funds etc.)                                      | 60206,81,47                             | 49582,88,89                              |
| <b>TOTAL</b>                                                                  | <b>2038456,05,70</b>                    | <b>1847847,96,72</b>                     |
| <b>II. Investments outside India in:</b>                                      |                                         |                                          |
| (i) Government Securities (including local authorities)                       | 39158,82,63                             | 34915,98,39                              |
| (ii) Associates #                                                             | 177,01,73                               | 176,02,39                                |
| (iii) Other Investments (Shares, Debentures, etc.)                            | 32756,32,53                             | 30167,88,14                              |
| <b>TOTAL</b>                                                                  | <b>72092,16,89</b>                      | <b>65259,88,92</b>                       |
| <b>GRAND TOTAL (I and II)</b>                                                 | <b>2110548,22,59</b>                    | <b>1913107,85,64</b>                     |
| <b>III. Investments in India:</b>                                             |                                         |                                          |
| (i) Gross Value of Investments                                                | 2048553,64,07                           | 1863706,45,82                            |
| (ii) Less: Aggregate of Provisions / Depreciation                             | 10097,58,37                             | 15858,49,10                              |
| Net Investments (vide I above)                                                | <b>2038456,05,70</b>                    | <b>1847847,96,72</b>                     |
| <b>IV. Investments outside India:</b>                                         |                                         |                                          |
| (i) Gross Value of Investments                                                | 73239,42,67                             | 67114,39,22                              |
| (ii) Less: Aggregate of Provisions / Depreciation                             | 1147,25,78                              | 1854,50,30                               |
| Net Investments (vide II above)                                               | <b>72092,16,89</b>                      | <b>65259,88,92</b>                       |
| <b>GRAND TOTAL (III and IV)</b>                                               | <b>2110548,22,59</b>                    | <b>1913107,85,64</b>                     |
| <b># Investment in Associates (In India and Outside India)</b>                |                                         |                                          |
| Equity Investment in Associates                                               | 10185,83,24                             | 9969,61,06                               |
| Add: Goodwill on acquisition of Associates                                    | 172,55,25                               | 286,07,51                                |
| Less: Capital reserve on acquisition of Associates                            | 937,59,94                               | 917,06,12                                |
| Less: Provision for diminution                                                | -                                       | -                                        |
| Cost of Investment in Associates                                              | <b>9420,78,55</b>                       | <b>9338,62,45</b>                        |
| Add: Post-acquisition profit/(loss) and Reserve of Associates (Equity Method) | 8250,79,18                              | 6846,58,91                               |
| <b>TOTAL</b>                                                                  | <b>17671,57,73</b>                      | <b>16185,21,36</b>                       |

# Schedules

forming part of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2024

## SCHEDULE 9 - ADVANCES

| (000s omitted)                                                                  |                                         |                                          |
|---------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                                                 | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
| <b>A.</b> (i) Bills purchased and discounted                                    | 220192,41,93                            | 183065,47,36                             |
| (ii) Cash credits, overdrafts and loans repayable on demand                     | 1040784,73,28                           | 868417,22,37                             |
| (iii) Term Loans                                                                | 2523295,51,84                           | 2216419,43,00                            |
| <b>TOTAL</b>                                                                    | <b>3784272,67,05</b>                    | <b>3267902,12,73</b>                     |
| <b>B.</b> (i) Secured by tangible assets (includes advances against Book Debts) | 2418590,80,98                           | 2161700,28,29                            |
| (ii) Covered by Bank / Government Guarantees                                    | 193378,45,27                            | 133206,97,67                             |
| (iii) Unsecured                                                                 | 1172303,40,80                           | 972994,86,77                             |
| <b>TOTAL</b>                                                                    | <b>3784272,67,05</b>                    | <b>3267902,12,73</b>                     |
| <b>C. (I) Advances in India</b>                                                 |                                         |                                          |
| (i) Priority Sector                                                             | 804184,20,86                            | 697644,43,51                             |
| (ii) Public Sector                                                              | 252633,74,04                            | 258922,87,67                             |
| (iii) Banks                                                                     | 592,13,56                               | 512,50,14                                |
| (iv) Others                                                                     | 2143154,28,50                           | 1777189,17,67                            |
| <b>TOTAL</b>                                                                    | <b>3200564,36,96</b>                    | <b>2734268,98,99</b>                     |
| <b>(II) Advances outside India</b>                                              |                                         |                                          |
| (i) Due from banks                                                              | 181073,38,29                            | 152095,52,24                             |
| (ii) Due from others                                                            |                                         |                                          |
| (a) Bills purchased and discounted                                              | 42424,38,12                             | 42531,12,88                              |
| (b) Syndicated loans                                                            | 230369,08,55                            | 223887,33,49                             |
| (c) Others                                                                      | 129841,45,13                            | 115119,15,13                             |
| <b>TOTAL</b>                                                                    | <b>583708,30,09</b>                     | <b>533633,13,74</b>                      |
| <b>GRAND TOTAL [C (I) and C (II)]</b>                                           | <b>3784272,67,05</b>                    | <b>3267902,12,73</b>                     |

## SCHEDULE 10 - FIXED ASSETS

(000s omitted)

|                                                                                  | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
|----------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>I. Premises (including Revalued Premises)</b>                                 |                                         |                                          |
| At cost/revalued as at 31 <sup>st</sup> March of the preceding year              | 35945,97,65                             | 31336,60,87                              |
| Additions:                                                                       |                                         |                                          |
| - during the year                                                                | 82,62,19                                | 37,83,52                                 |
| - for Revaluation                                                                | -                                       | 6407,26,03                               |
| Deductions:                                                                      |                                         |                                          |
| - during the year                                                                | 4,10,74                                 | 6,81,67                                  |
| - for Revaluation                                                                | 58,18                                   | 1828,91,10                               |
| Depreciation to date:                                                            |                                         |                                          |
| - on cost                                                                        | 1456,84,39                              | 1317,07,16                               |
| - on Revaluation                                                                 | 1428,89,56                              | 1228,86,53                               |
|                                                                                  | 33138,16,97                             | 33400,03,96                              |
| <b>IA. Premises under construction</b>                                           | 528,43,41                               | 317,54,60                                |
| <b>II. Other Fixed Assets (including furniture and fixtures)</b>                 |                                         |                                          |
| At cost as at 31 <sup>st</sup> March of the preceding year                       | 44177,26,23                             | 41202,17,83                              |
| Additions during the year                                                        | 3832,00,94                              | 3771,90,49                               |
| Deductions during the year                                                       | 1033,93,67                              | 796,82,09                                |
| Depreciation to date                                                             | 36342,87,53                             | 33883,53,97                              |
|                                                                                  | 10632,45,97                             | 10293,72,26                              |
| <b>IIA. Leased Assets</b>                                                        |                                         |                                          |
| At cost as at 31 <sup>st</sup> March of the preceding year                       | 505,90,27                               | 397,94,02                                |
| Additions during the year                                                        | 136,00,71                               | 178,41,34                                |
| Deductions during the year                                                       | 20,13,06                                | 70,45,09                                 |
| Depreciation to date (including provisions)                                      | 255,11,77                               | 175,85,03                                |
|                                                                                  | 366,66,15                               | 330,05,24                                |
| Less : Lease Adjustment Account                                                  | -                                       | -                                        |
|                                                                                  | 366,66,15                               | 330,05,24                                |
| <b>TOTAL (I, IA,II and IIA)</b>                                                  | <b>44665,72,50</b>                      | <b>44341,36,06</b>                       |
| <b>III. Capital-Work-in progress (including Leased Assets) net of Provisions</b> | 42,45,23                                | 66,02,04                                 |
| <b>TOTAL (I, IA, II, IIA and III)</b>                                            | <b>44708,17,73</b>                      | <b>44407,38,10</b>                       |

# Schedules

forming part of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2024

## SCHEDULE 11 - OTHER ASSETS

|                                                            | (000s omitted)                          |                                          |
|------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                            | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
| I. Inter Office Adjustments (Net)                          | -                                       | -                                        |
| II. Inter Bank Adjustments (Net)                           | -                                       | -                                        |
| III. Interest accrued                                      | 50841,18,94                             | 43381,20,67                              |
| IV. Tax paid in advance / tax deducted at source           | 23989,77,60                             | 16889,73,62                              |
| V. Deferred Tax Assets (Net)                               | 12140,69,81                             | 11136,38,22                              |
| VI. Stationery and Stamps                                  | 64,03,68                                | 65,02,79                                 |
| VII. Non-banking assets acquired in satisfaction of claims | 5,34,51                                 | 99,23                                    |
| VIII. Deposits placed with NABARD/SIDBI/NHB                | 270995,47,35                            | 218591,19,47                             |
| IX. Goodwill on consolidation                              | 1405,96,08                              | 1538,36,27                               |
| X. Others                                                  | 108234,94,28                            | 119086,13,99                             |
| <b>TOTAL</b>                                               | <b>467677,42,25</b>                     | <b>410689,04,26</b>                      |

## SCHEDULE 12 - CONTINGENT LIABILITIES

|                                                                     | (000s omitted)                          |                                          |
|---------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                                     | As at 31.03.2024<br>(Current Year)<br>₹ | As at 31.03.2023<br>(Previous Year)<br>₹ |
| I. Claims against the group not acknowledged as debts               | 118414,15,26                            | 90987,81,73                              |
| II. Liability for partly paid investments / Venture Funds           | 2850,31,79                              | 2400,05,44                               |
| III. Liability on account of outstanding forward exchange contracts | 1350960,66,04                           | 1041453,84,63                            |
| IV. Guarantees given on behalf of constituents                      |                                         |                                          |
| (a) In India                                                        | 190051,98,73                            | 165126,25,47                             |
| (b) Outside India                                                   | 94832,38,44                             | 105405,64,27                             |
| V. Acceptances, endorsements and other obligations                  | 158624,60,01                            | 152189,82,54                             |
| VI. Other items for which the group is contingently liable \$       | 481860,69,97                            | 277960,94,11                             |
| <b>TOTAL #</b>                                                      | <b>2397594,80,24</b>                    | <b>1835524,38,19</b>                     |

\$ includes Derivatives ₹457759,84,28 thousands (Previous Year ₹261767,19,24 thousands)

# ₹1,49,15 thousands (Previous Year ₹1,49,15 thousands) pertains to share in contingent liability of Joint Ventures

# State Bank of India

Consolidated Profit and Loss Account for the year ended 31<sup>st</sup>

March 2024<sup>2</sup>

| (000s omitted)                                                                                         |              |                                                 |                                                  |
|--------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------------|--------------------------------------------------|
|                                                                                                        | Schedule No. | Year ended<br>31.03.2024<br>(Current Year)<br>₹ | Year ended<br>31.03.2023<br>(Previous Year)<br>₹ |
| <b>I. INCOME</b>                                                                                       |              |                                                 |                                                  |
| Interest earned                                                                                        | 13           | 439188,51,23                                    | 350844,58,01                                     |
| Other Income                                                                                           | 14           | 155386,39,22                                    | 122533,56,11                                     |
| <b>TOTAL</b>                                                                                           |              | <b>594574,90,45</b>                             | <b>473378,14,12</b>                              |
| <b>II. EXPENDITURE</b>                                                                                 |              |                                                 |                                                  |
| Interest expended                                                                                      | 15           | 259736,04,81                                    | 189980,81,67                                     |
| Operating expenses                                                                                     | 16           | 235893,83,88                                    | 189814,48,59                                     |
| Provisions and contingencies                                                                           |              | 30806,75,67                                     | 37024,40,87                                      |
| <b>TOTAL</b>                                                                                           |              | <b>526436,64,36</b>                             | <b>416819,71,13</b>                              |
| <b>III. PROFIT</b>                                                                                     |              |                                                 |                                                  |
| Net Profit for the year<br>(before adjustment for Share in Profit of Associates and Minority Interest) |              | 68138,26,09                                     | 56558,42,99                                      |
| Add: Share in Profit of Associates                                                                     |              | 1405,15,43                                      | 1191,45,21                                       |
| Less: Minority Interest                                                                                |              | 2458,74,91                                      | 2101,70,92                                       |
| Net Profit for the Group                                                                               |              | 67084,66,61                                     | 55648,17,28                                      |
| Add Profit Brought forward                                                                             |              | 41923,30,28                                     | 20394,35,05                                      |
| <b>TOTAL</b>                                                                                           |              | <b>109007,96,89</b>                             | <b>76042,52,33</b>                               |
| <b>IV. APPROPRIATIONS</b>                                                                              |              |                                                 |                                                  |
| Transfer to Statutory Reserve                                                                          |              | 18716,88,31                                     | 15370,39,97                                      |
| Transfer to Capital Reserve                                                                            |              | 326,21,04                                       | 232,80,84                                        |
| Transfer to/(from) Investment Fluctuation Reserve                                                      |              | (749,08,05)                                     | 4575,43,43                                       |
| Transfer to Revenue and Other Reserves                                                                 |              | 6456,91,82                                      | 3854,26,53                                       |
| Final Dividend for the year                                                                            |              | 12226,71,83                                     | 10084,81,15                                      |
| Tax on Dividend                                                                                        |              | 11,14,01                                        | 1,50,13                                          |
| Balance carried over to Balance Sheet                                                                  |              | 72019,17,93                                     | 41923,30,28                                      |
| <b>TOTAL</b>                                                                                           |              | <b>109007,96,89</b>                             | <b>76042,52,33</b>                               |
| <b>V. EARNINGS PER EQUITY SHARE (Face value ₹ 1 per share)</b>                                         |              |                                                 |                                                  |
| Basic (in ₹)                                                                                           |              | 75.17                                           | 62.35                                            |
| Diluted (in ₹)                                                                                         |              | 75.17                                           | 62.35                                            |
| Significant Accounting Policies                                                                        | 17           |                                                 |                                                  |
| Notes to Accounts                                                                                      | 18           |                                                 |                                                  |

Schedules referred to above form an integral part of the Profit & Loss Account

**Shri Vinay M. Tonse**  
Managing Director  
(Retail Business & Operations)

**Shri Alok Kumar Choudhary**  
Managing Director  
(Risk, Compliance & SARG)

**Shri Ashwini Kumar Tewari**  
Managing Director  
(Corporate Banking & Subsidiaries)

**Shri Challa Sreenivasulu Setty**  
Managing Director  
(International Banking,  
Global Markets & Technology)

In terms of our report of even date  
**For K C Mehta & Co LLP**  
Chartered Accountants  
Firm Regn. No. 106237W/W100829

**Shri Dinesh Kumar Khara**  
Chairman

**CA Chirag Bakshi**  
Partner  
Membership No. 047164

Place: Mumbai  
Date: 9<sup>th</sup> May 2024

# Schedules

forming part of the Consolidated Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## SCHEDULE 13 - INTEREST EARNED

(000s omitted)

|                                                                                 | Year ended<br>31.03.2024<br>(Current Year)<br>₹ | Year ended<br>31.03.2023<br>(Previous Year)<br>₹ |
|---------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Interest / discount on advances/ bills                                       | 297310,15,03                                    | 228740,74,65                                     |
| II. Income on Investments                                                       | 122378,19,49                                    | 106824,85,28                                     |
| III. Interest on balances with Reserve Bank of India and other inter-bank funds | 5941,79,87                                      | 3916,45,69                                       |
| IV. Others                                                                      | 13558,36,84                                     | 11362,52,39                                      |
| <b>TOTAL</b>                                                                    | <b>439188,51,23</b>                             | <b>350844,58,01</b>                              |

## SCHEDULE 14 - OTHER INCOME

(000s omitted)

|                                                                                              | Year ended<br>31.03.2024<br>(Current Year)<br>₹ | Year ended<br>31.03.2023<br>(Previous Year)<br>₹ |
|----------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Commission, exchange and brokerage                                                        | 28349,70,13                                     | 25913,29,95                                      |
| II. Profit / (Loss) on sale of investments (Net)                                             | 8890,08,56                                      | 5158,08,59                                       |
| III. Profit / (Loss) on revaluation of investments (Net)                                     | 4892,78,72                                      | (4922,60,98)                                     |
| IV. Profit / (Loss) on sale of land, building and other assets including leased assets (Net) | (25,20,54)                                      | (29,03,16)                                       |
| V. Profit / (Loss) on exchange transactions/derivative transactions (Net)                    | 1785,87,15                                      | 3029,10,05                                       |
| VI. Dividends from Associates in India/ abroad                                               | 5,57,19                                         | 2,66,25                                          |
| VII. Credit Card membership/ service fees                                                    | 8263,80,99                                      | 6800,41,06                                       |
| VIII. Insurance Premium Income (Net)                                                         | 86810,17,75                                     | 70751,51,78                                      |
| IX. Recoveries made in Written-off Accounts                                                  | 7443,72,73                                      | 7728,67,19                                       |
| X. Miscellaneous Income                                                                      | 8969,86,54                                      | 8101,45,38                                       |
| <b>TOTAL</b>                                                                                 | <b>155386,39,22</b>                             | <b>122533,56,11</b>                              |

## SCHEDULE 15 - INTEREST EXPENDED

(000s omitted)

|                                                              | Year ended<br>31.03.2024<br>(Current Year)<br>₹ | Year ended<br>31.03.2023<br>(Previous Year)<br>₹ |
|--------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Interest on Deposits                                      | 223278,71,35                                    | 163518,78,32                                     |
| II. Interest on Reserve Bank of India/ Inter-bank borrowings | 22864,56,43                                     | 18317,50,75                                      |
| III. Others                                                  | 13592,77,03                                     | 8144,52,60                                       |
| <b>TOTAL</b>                                                 | <b>259736,04,81</b>                             | <b>189980,81,67</b>                              |



## SCHEDULE 16 - OPERATING EXPENSES

(000s omitted)

|                                                                                 | Year ended<br>31.03.2024<br>(Current Year)<br>₹ | Year ended<br>31.03.2023<br>(Previous Year)<br>₹ |
|---------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Payments to and provisions for employees #                                   | 83671,18,67                                     | 61920,91,12                                      |
| II. Rent, taxes and lighting                                                    | 6546,16,69                                      | 6103,05,83                                       |
| III. Printing and Stationery                                                    | 922,53,21                                       | 810,68,23                                        |
| IV. Advertisement and publicity                                                 | 3449,09,95                                      | 3419,26,91                                       |
| V. (a) Depreciation on Fixed Assets (other than Leased Assets)                  | 3763,21,21                                      | 3644,79,49                                       |
| (b) Depreciation on Leased Assets                                               | 85,91,24                                        | 50,80,37                                         |
| VI. Directors' fees, allowances and expenses                                    | 15,41,95                                        | 13,18,37                                         |
| VII. Auditors' fees and expenses (including branch auditors' fees and expenses) | 314,05,03                                       | 284,82,75                                        |
| VIII. Law charges                                                               | 659,53,66                                       | 516,43,62                                        |
| IX. Postages, Telegrams, Telephones, etc.                                       | 890,52,21                                       | 766,06,89                                        |
| X. Repairs and maintenance                                                      | 1448,82,92                                      | 1305,59,44                                       |
| XI. Insurance                                                                   | 5389,01,01                                      | 5340,69,01                                       |
| XII. Other Operating Expenses relating to Credit Card Operations                | 4410,94,08                                      | 3876,89,74                                       |
| XIII. Other Operating Expenses relating to Insurance Business                   | 96699,67,92                                     | 78227,18,14                                      |
| XIV. Other Expenditure                                                          | 27627,74,13                                     | 23534,08,68                                      |
| <b>TOTAL</b>                                                                    | <b>235893,83,88</b>                             | <b>189814,48,59</b>                              |

# Payment to and provisions for employees includes exceptional items for provision of ₹7100,00,00 thousand (Previous year Nil) [₹5400,00,00 thousands (Previous year Nil) for estimated liability on account of pension at uniform rate of 50% for all pensioners prospectively, in place of existing dual rate of calculation of pension and ₹1700,00,00 thousands (Previous year Nil) on account of ex-gratia benefit and neutralisation of Dearness Relief to pre-November 2002 retirees and family pensioners]

# Schedules

forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## SCHEDULE 17-SIGNIFICANT ACCOUNTING POLICIES

### A. Background:

State Bank of India ('SBI' or 'the Bank') is a banking and financial services statutory body engaged in providing a wide range of products and services to individuals, commercial enterprises, large corporates, public bodies, and institutional customers. The Bank is governed by the Banking Regulation Act, 1949 and the State Bank of India Act, 1955.

State Bank of India Group ('SBI Group' or 'the Group') consists of SBI, 26 Subsidiaries, 7 Joint ventures and 19 Associates.

Following are the Significant Accounting Policies of SBI Group i.e. the specific accounting principles and methods of applying these principles in the preparation and presentation of consolidated financial statements of SBI.

### B. Basis of Preparation:

The accounting and reporting policies of the SBI Group conform to Generally Accepted Accounting Principles in India (Indian GAAP), comprising of regulatory norms, directions & guidelines prescribed by the Reserve Bank of India (RBI), statutory guidelines of the State Bank of India Act, 1955, the Banking Regulations Act, 1949, Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA), SEBI (Mutual Funds) Regulations, 1996, Companies Act 2013, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and the accounting practices prevalent in India.

In case of foreign entities, Generally Accepted Accounting Principles as applicable to the foreign entities are followed.

The Bank's consolidated financial statements are prepared under the historical cost convention, with fundamental accounting assumptions of going concern, consistency, and accrual, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with guidelines issued by RBI and requirements under the Third Schedule of the Banking Regulation Act, 1949.

### C. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

### D. Basis of Consolidation:

#### 1. Consolidated financial statements of the SBI Group includes:

- a. Financial statements of State Bank of India (Parent).
- b. Line by line aggregation of each item of asset/liability/income/expense of the subsidiaries with the respective item of the Parent. Elimination of all material intra-group balances/transactions and resulting unrealised gains and adjustments required for non-uniform accounting policies as per AS 21 "Consolidated Financial Statements" issued by the ICAI.
- c. Proportionate share of asset/liability/income/expense of the joint venture entities are consolidated as per AS 27 "Financial Reporting of Interests in Joint Ventures" issued by the ICAI.
- d. Accounting for investment in 'Associates' under the 'Equity Method' as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI.

2. The difference between cost to the group of its investment in the subsidiary entities and the group's portion of the equity of the subsidiaries is recognised in the financial statements as goodwill / capital reserve.

3. Minority interest in the net assets of the consolidated subsidiaries consists of:

- a. The amount of equity attributable to the minority shareholders at the date on which the investment in the equity shares of the subsidiary is made, and
- b. The minority share of movements in revenue reserves/ loss (equity) since the date the parent-subsidiary relationship came into existence.

## E. Significant Accounting Policies:

### 1. Revenue recognition:

- 1.1 Income and expenditure are accounted on accrual basis, except otherwise stated.
- 1.2 Interest/Discount income is recognised, in the Profit and Loss Account, on realisation basis for the following:
  - a. Income from Non-Performing Assets (NPAs) including investments, as per the prudential norms prescribed by the RBI/ respective country regulators in the case of foreign offices/entities (hereafter collectively referred to as Regulatory Authorities),
  - b. Income on Rupee Derivatives designated as "Trading".
- 1.3 In accordance with the guidelines issued by the Reserve Bank of India, Profit on sale of investments held in the "Held to Maturity" category of the Bank and on sale of Fixed Assets held by the Bank is appropriated to Capital Reserve, net of applicable taxes and amount required to be transferred to Statutory Reserve.

The discount, if any, on acquisition of investments in Held to Maturity (HTM) category is accounted as follows:

  - a. on Interest bearing securities, it is accounted for at the time of sale/ redemption.
  - b. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.
- 1.4 Dividend income is recognised when the right to receive the dividend is established.
- 1.5 Commission on Letter of Credit (LC)/ Bank Guarantee (BG), Deferred Payment Guarantee, Government Business, ATM interchange fee & "Upfront fee on restructured account" are recognised on accrual basis proportionately over the period. All other commission and fee income are accounted on their realisation.
- 1.6 One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over the average loan period of 15 years.
- 1.7 Brokerage, Commission etc. paid/incurred in connection with the issue of Bonds/Deposits are amortised over the tenure of the related Bonds/Deposits and the

expenses incurred in connection with the issue are charged upfront.

- 1.8 The Bank derecognises its financial assets when it sells to Securitisation Company (SC) / Reconstruction Company (RC), and accounts for as under:
  - i. If the sale is at a price below the Net Book Value (NBV) (i.e., book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale.
  - ii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received.
- 1.9 Issue management fees and advisory fees, in case of Group's merchant banking business, are recognised as per the terms of the agreement with the customer/ client. The fee income is recognised only when the specific act / milestone defined in the agreement is executed/completed.
  - 1.9.1. Fees for private placement are recognised on completion of the assignments.
  - 1.9.2. Brokerage income in relation to stock broking activity is recognised on the trade date of transaction and includes stamp duty, transaction charges and is net of incentives paid on scheme.
  - 1.9.3. Commission relating to public issues is accounted for on finalisation of allotment of the public issue/ receipt of information from intermediary.
  - 1.9.4. Brokerage income relating to public issues/mutual fund/other securities is accounted for based on mobilisation and intimation received from clients/ intermediaries.
  - 1.9.5. Depository income – Annual Maintenance Charges are recognised on accrual basis and transaction charges are recognised on trade date of transaction.
- 1.10 Management fee, in case of Group's asset management business, is charged as a percent of the Assets Under Management (AUM) and is recognised on accrual basis. The maximum amount of management fee that can be charged is subject to applicable SEBI regulations. In case of AIF Scheme, management fees is recognised as defined in offer document on accrual basis.

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- 1.10.1. Portfolio Management Fees and Advisory Fees are recognised on an accrual basis as per the terms of the contract with customers.

These contracts include a single performance obligation (series of distinct services) that is satisfied over time and the management fees and/or advisory fees earned are considered as variable consideration.

If the consideration promised in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. The amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

- 1.10.2. Expenses of schemes in excess of the stipulated rates (if any) are required to be borne by the Company in accordance with SEBI (Mutual Fund) Regulations, 1996 and as such, are charged to Profit and Loss Account. In case of PMS/AIF scheme, based on the contract, expenses if any, are charged to the Profit and Loss Account.

- 1.10.3. Brokerage paid by the Company in line with applicable regulations is being charged to Profit and Loss Account over the contractual period. In case of new fund offer, the expenses are charged to Profit and Loss Account in the year in which they are incurred in accordance with the requirements of SEBI (Mutual Fund) Regulations, 1996.

- 1.11 Income earned from provision of membership services, in case of Group's credit card business, is recognised as revenue over the membership period consisting of 12 months at fair value of consideration net of expected reversals / cancellations.

- 1.11.1. Other service revenue consists of value-add services provided to the card holders. Other service revenues are recognised in the same period in which related transactions occur or services rendered.

- 1.11.2. Interchange fees are collected from acquirers and paid to issuers by network partners to reimburse the issuers for portion of the costs incurred for providing services that benefit all participants in the system, including acquirers and merchants. Revenue from interchange income is recognised when related transaction occurs, or service is rendered.

- 1.11.3. The total unidentified receipts which could not be credited or adjusted in the customers' accounts for lack of complete & correct information is considered as liability in Balance Sheet. The unresolved unidentified receipts aged more than three years are written back as other income on balance sheet date. The liability for stale cheques aged for more than three years is written back as income.

- 1.11.4. All other service income/fees are recorded at the time of occurrence of the respective events.

- 1.12 Factoring charges, in case of Group's factoring business, are accrued on factoring of debts at the applicable rates as decided by the company. Facility set-up fees are recognised as income only when there is reasonable certainty of its receipt after execution of documents. Facility Continuation fees (FCF) are calculated and charged in the month of May for the entire next financial year on all live standard accounts. 1<sup>st</sup> of May is deemed as date for accrual of the FCF.

- 1.13 Premium, in case of Group's life insurance business, of non-linked business is recognised as income (net of goods and service tax) when due from policyholders. In respect of linked business, premium income is recognised when the associated units are allotted. In case of variable insurance products (VIPs), premium income is recognised on the date when the Policy Account Value is credited. Uncollected premium from lapsed policies is not recognised as income until such policies are revived.

- 1.13.1. Top-up premiums are considered as single premium.

- 1.13.2. Income from linked funds which includes fund management charges, policy administration charges, mortality charges, etc. are recovered from linked fund in accordance with terms and conditions of policy and recognised when recovered.

1.13.3. Realised gains and losses in respect of equity securities, units of mutual funds, Equity Exchange Traded funds (ETFs), Infrastructure Investment Trusts (InvITs) and Real Estate Investments Trusts (REITs) are calculated as the difference between the net sales proceeds and their cost. In respect of debt securities, the realised gains and losses are calculated as the difference between net sale proceeds or redemption proceeds and weighted average amortised cost. Cost in respect of equity shares, units of mutual fund Equity Exchange Traded funds (ETFs), Infrastructure Investment Trusts (InvITs) and Real Estate Investments Trusts (REITs) are computed using the weighted average method.

1.13.4. Fees received on lending of equity shares under Securities lending and borrowing scheme (SLB) is recognised as income over the period of the lending on straight-line basis.

1.13.5. Premium ceded on reinsurance is accounted in accordance with the terms of the re-insurance treaty or in-principle arrangement with the re-insurer.

**1.13.6. Benefits paid:**

- Claims cost consist of the policy benefit amounts and claims settlement costs, where applicable.
- Claims by death and rider are accounted when intimated. Intimations up to the end of the period are considered for accounting of such claims.
- Claims by maturity are accounted on the policy maturity date.
- Survival and Annuity benefits claims are accounted when due.
- Surrenders and withdrawals are accounted as and when intimated. Benefits paid also includes amount payable on lapsed policies which are accounted for as and when due. Surrenders, withdrawals and lapsation are disclosed at net of charges recoverable.
- Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims.

- Amounts recoverable from re-insurers are accounted for in the same period as the related claims and are reduced from claims.

1.13.7. Acquisition costs such as commission, medical fees, etc. are costs that are primarily related to the acquisition of new and renewal insurance contracts. The same are expensed in the period in which they are incurred.

1.13.8. **Liability for life policies:** The actuarial liability of all the life insurance policies has been calculated by the Appointed Actuary in accordance with the Insurance Act 1938, and as per the rules and regulations and circulars issued by IRDAI from time to time and the relevant Guidance Notes and/or Actuarial Practice Standards (APS) issued by the Institute of Actuaries of India.

**1.13.9. Funds for future appropriation:**

For non-linked participating business, the balance in the funds for future appropriations (FFA) account represents funds, the allocation of which, either to participating policyholders' or to shareholders', has not been determined at the Balance Sheet date. Transfers to and from the fund reflect the excess or deficit of income over expenses and appropriations in each accounting period arising in the Company's policyholders' fund. In respect of participating policies any allocation to the policyholder would also give rise to a shareholder transfer in the required proportion.

1.14 Premium including reinsurance accepted (net of goods & service tax) , in case of Group's general insurance business, is recognised in the books at the commencement of risk over the contract period or the period of risk, whichever is appropriate. In case the premium is recovered in instalments, amount to the extent of instalment due is recorded on the due date of the instalment. Premium (net of goods & service tax), including reinstatement premium, on direct business and reinsurance accepted, is recognised as income over the contract period or the period of risk, whichever is appropriate, on a gross basis under 1/365 method. In case of long-term motor insurance policies premium is recognised on a yearly basis as mandated by IRDAI. Any subsequent revision to premium is recognised over the

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remaining period of risk or contract period. Adjustments to premium income arising on cancellation of policies are recognised in the period in which they are cancelled.

1.14.1. Commission on reinsurance ceded is recognised as income in the period in which reinsurance risk is ceded. Profit commission under re-insurance treaties, wherever applicable, is recognised as income in the year of final determination of the profits as intimated by Reinsurer and combined with commission on reinsurance ceded.

Sliding scale commission under reinsurance treaties, wherever applicable, is recognised as income as per the reinsurance treaty conditions as confirmed by reinsurers and combined with commission on reinsurance ceded.

1.14.2. In respect of proportional reinsurance ceded, the cost of reinsurance ceded is accrued at the commencement of risk over the contract period or the period of risk. Non-proportional reinsurance cost is recognised when due. Non-proportional reinsurance cost is accounted as per the terms of the reinsurance arrangements. Any subsequent revision to, refunds or cancellations of premiums is recognised in the period in which they occur.

1.14.3. Reinsurance inward acceptances are accounted for on the basis of returns, to the extent received, from the insurers.

1.14.4. Acquisition costs are expensed in the period in which they are incurred. Acquisition costs are defined as costs that vary with, and are primarily related to the acquisition of new and renewal insurance contracts viz. commission. The primary test for determination as acquisition cost is the obligatory relationship between the costs and the execution of the insurance contracts (i.e. commencement of risk). In case of long-term motor insurance policies commission is expensed at the applicable rates on the premium allocated for the year as mandated by IRDAI.

1.14.5. Premium Received in Advance which represents premium received prior to the commencement of the risk is shown separately under the head "Other Liabilities and Provision" in the financial statements and is recorded as income on the date of commencement of risk.

Reserve for Unexpired risk is that part of the net premium written (i.e., premium net of reinsurance ceded) that is attributable to, and to be allocated to succeeding accounting periods on contract period basis or risk period basis, whichever is appropriate. Such reserves are calculated on a pro-rata basis under 1/365 basis, subject to minimum reserve requirements as per Circular No. IRDA/F&A/CIR/CPM/056/03/2016 dated April 4, 2016.

1.14.6. If the ultimate amount of expected net claim costs (as calculated and certified by the Actuary), related expenses and maintenance costs (related to claims handling) in respect of unexpired risks at the end of the accounting period exceeds the sum of related premium carried forward to the subsequent accounting period as the reserve for unexpired risk, the same is recognised as premium deficiency.

Premium deficiency is calculated on annual basis and at the company level.

1.14.7. Claim is recognised as and when a loss occurrence is reported. Claim is recognised by creation of provision for the amount of claim payable as estimated by the management based on available information and experience, on receipt of claim notification. Such provision is reviewed / modified as appropriate on the basis of additional information as and when available. Amounts received/receivable from the re-insurers/co-insurers, under the terms of the reinsurance and coinsurance arrangements respectively, is recognised together with the recognition of claim. Provision for claims outstanding payable as on the date of Balance Sheet is net of reinsurance, salvage value and other recoveries as estimated by the management. Claims paid (net of recoveries including value of salvage retained by the insured and interest, if any, paid on the claims) is charged to the Profit and Loss Account when approved for payment. Where salvage is taken over by the company, the recoveries from sale of salvage are recognised at the time of such sale.

1.14.8. Provision in respect of claim liabilities that may have been incurred before the end of the accounting year but are

- not yet reported or claimed (IBNR) or
- not enough reported i.e. reported with information insufficient for making a reasonable estimate of likely claim amount (IBNER).

The provision is made according to the amount determined by the Appointed Actuary based on actuarial principles in accordance with the Actuarial Practice Standards and Guidance Notes issued by the Institute of Actuaries of India and IRDAI regulations and guidelines.

1.15 The revenue (net of goods & service tax), in case of Group's custody & fund accounting services, is recognised only when it can be reliably measured and it is probable that the economic benefits will flow to the company. Custody fees, fund accounting fees and referral fees are accounted on accrual basis as per the agreed terms of agreement.

1.16 Management fee, in case of Group's pension fund business, is recognised at specific rates agreed with the relevant schemes, applied on daily net assets of each scheme, and is in conformity with the regulatory guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA). Commission income from Point of Presence (POP) Business i.e. Account opening fees and contribution processing fees are recognised on the basis of contributions received from subscribers and generation of Permanent Retirement Account Number (PRAN). The Company presents revenues net of goods and service tax in profit and loss account.

1.17 Mutual Fund Trusteeship fee, in case of Group's trusteeship business, is recognised on accrual basis at specific rates agreed with the relevant schemes, applied on the percentage of daily net assets of each scheme and is in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.

1.17.1. Corporate Trusteeship Acceptance fees are recognised on execution of trusteeship agreement on a straight -line basis using time elapsed method over the contract term. Corporate

Trusteeship service charges are recognised on execution of trusteeship agreement on a straight -line basis using time elapsed method over the contract term.

1.17.2. Income from "will" services is recognised at a point in time when these services are performed, customer is invoiced and right to receive fees is established.

1.18 The revenue, in case of Group's merchant acquiring business (MAB), is measured on basis of consideration received or receivable for the services provided, excluding discounts, GST and other applicable taxes and are recognised upon performance of services.

1.18.1. The revenue from deployment of POS is recognised either over the period during which the service is rendered or on basis of the number of transactions processed during the period in accordance with the rates and conditions specified in the agreements. Based on the contract terms, the merchant makes payment for merchant discount rate (MDR), monthly rental and commitment charges and the same is treated as revenue from operation.

1.18.2. Income received but not accrued on account of maintenance deployment contract are recognised as deferred revenue and included in liabilities until the revenue recognition criteria are met. Income accrued but not billed represents revenue recognised on work performed but billed in subsequent period, in accordance with terms of the contract.

1.18.3. Revenue is recognised to the extent it is probable that the economic benefits will flow, and the revenue can be reliably measured.

## **2. Investments:**

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation, as given below:

### **2.1 Classification:**

As per RBI guidelines, investments are classified into Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) categories.



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For disclosure in Balance Sheet, the investments are classified as Investments in India and outside India.

- Under each category, the investments in India are further classified as (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Subsidiaries and Associates and (vi) Others. The Investments outside India are classified under three categories – (i) Government Securities, (ii) Subsidiaries and/or joint Ventures abroad and (iii) Other Investments.

## 2.2 Basis of classification:

- i. Investments that the Bank intends to hold till maturity are categorised as "Held to Maturity (HTM)".
- ii. Investments that are held principally for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)".
- iii. Investments, which are not classified in the above two categories, are classified as "Available for Sale (AFS)".
- iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.
- v. Investments in associates are classified as HTM except in respect of those investments which are acquired and held exclusively with a view to its subsequent disposal. These investments are classified as AFS.

## 2.3 Valuation:

- i. The transactions in all securities are recorded on a Settlement Date. Cost of investment under AFS and HFT category is determined at the weighted average cost method by the group entities and cost of investments under HTM category is determined on FIFO basis (first in first out) by SBI and weighted average cost method by other group entities.
  - a. Brokerage/commission received on subscriptions is reduced from the cost. Brokerage, commission, securities transaction tax, etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.

- b. Broken period interest paid / received on debt instruments is treated as interest expense/income and is excluded from cost/sale consideration.

## ii. Valuation of investments classified as Held to Maturity:

- a. Investments under Held to Maturity category are carried at acquisition cost. The premium paid on acquisition, if any, is amortised over the term to maturity on constant yield basis. Such amortisation of premium is accounted as income on investments.
- b. A provision is made for diminution, other than temporary, for each investment individually.
- c. Investments in Regional Rural Banks (RRBs) are valued at equity cost determined in accordance with AS 23 of the ICAI.

## iii. Valuation of investments classified as Available for Sale and Held for Trading:

Investments held under Available for Sale and Held for Trading are individually revalued at market price or fair value determined as per the regulatory guidelines and the net depreciation, if any, of each group for each category (viz., (i) Government securities (ii) Other Approved Securities (iii) Shares (iv) Debentures & Bonds (v) Subsidiaries and Associates; and (vi) others) is provided for and net appreciation is ignored.

## iv. Valuation policy in event of inter category transfer of investments:

- a. Transfer of securities from HFT/AFS category to HTM category is carried out at the lower of acquisition cost/book value/market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for.
- b. Transfer of securities from HTM category to AFS category is carried out on acquisition price/book value. On transfer, these securities are immediately revalued and resultant depreciation, if any, in the Profit and Loss Account.



**v. Valuation in case of sale of NPA (financial asset) to Securitisation Company (SC) / Asset Reconstruction Company (ARC) against issue of Security Receipts:**

- a. The investment in security receipts obtained by way of sale of NPA to SC/RC, is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR.
  - b. SRs issued by an SC/ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ARC, is reckoned for valuation of such investments.
- vi. Treasury Bills and Commercial Papers are valued at carrying cost.

**2.4 Investments (NPI):**

- i. In respect of domestic offices/ entities, based on the guidelines issued by RBI, investments are classified as performing and non-performing as follows:
  - a. Interest/instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.
  - b. In the case of equity shares, in the event the investment in the shares of any company is valued at ₹1 per company on account of the non-availability of the latest Balance Sheet, those equity shares would be reckoned as NPI.
  - c. The Bank also classifies an investment as a non-performing investment, in case any credit facility availed by the same borrower/ entity has been classified as a non-performing asset and vice versa. The above is applied to Preference Shares where the fixed dividend is not paid.

- d. The investments in debentures/bonds, which are deemed to be advance, are also subjected to NPI norms as applicable to investments.
- ii. In respect of foreign offices/entities, classification and provisions for non-performing investments (NPIs) are made as per the local regulations or as per the norms of RBI, whichever is more prudent.

**2.5 Accounting for Repo/Reverse Repo transactions:**

The Bank enters Repurchase and Reverse Repurchase Transactions with RBI under Liquidity Adjustment Facility (LAF) and with market participants. Repurchase Transaction represents borrowing by selling the securities with an agreement to repurchase the securities. Reverse Repo Transactions on the other hand, represent lending funds by purchasing the securities.

- a. Transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Collateralised Lending and Borrowing transactions.
- b. In Repo and Reverse Repo transaction, securities sold (purchased) and repurchased (resell) are accounted as normal outright sale (purchase) transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and contra entries. The above entries are reversed on the date of maturity.
- c. Balance in Repo Account is classified under Schedule 4 (Borrowings).
- d. All type of Reverse Repos with RBI including those under Liquidity Adjustment Facility are presented under sub item (ii) 'In Other Accounts' of item (II) Balances with RBI under Schedule 6 'Cash and balances with RBI'.
- e. Reverse Repos with banks and other institutions having original tenors up to and inclusive of 14 days are classified as 'Money at call and short notice' under Schedule 7 'Balance with Banks and Money at call & short notice'. Reverse Repos with original maturity more than 14 days but up to 1 year are classified as 'Cash Credits, overdrafts, and loans repayable on demand', under Schedule 9 'Advances'. All other Reverse Repos are classified as 'Term Loans' under Schedule 9 'Advances'.

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- f. Borrowing cost of repo transactions and revenue on reverse repo transactions, with RBI or others, is accounted for as interest expense and interest income, respectively.

2.6 In case of life and general insurance subsidiaries, investments are accounted in accordance with the Insurance Act, 1938, the IRDAI (Investment) Regulations, 2016 and IRDA (Presentation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, Investment policy of the company and various other circulars / notifications as issued by IRDAI from time to time.

**(i) Valuation of investment pertaining to non-linked life insurance business and general insurance business:**

- All debt securities, including government securities and money market securities are stated at historical cost subject to amortisation of premium or accretion of discount.
- Listed equity shares, equity related instruments and preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. National Stock Exchange of India Limited ('NSE') is considered. If NSE closing price is not available, then closing price of BSE Limited ('BSE') is considered.
- Unlisted equity securities, equity related instruments and preference shares are measured at historical cost.
- In case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.
- Additional Tier 1 (Basel III compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from Credit Rating Information Services of India Limited (CRISIL).
- Investments in mutual fund units are valued at the Net Asset Value (NAV) of previous day in life insurance and of Balance Sheet date in general insurance.

- Investment in Alternative Investment Funds (AIFs) are valued at latest available NAV.
- The Investment in units of REITs/InvITs are valued at Market Value (last quoted price should not be later than 30 days). For the purpose of determining market value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available for any security, then BSE closing price is used for valuation. Where market quote is not available for the last 30 days, the units are valued as per the latest NAV (not more than 6 months old) of the units published by the trust.

Unrealised gains or losses arising due to change in the fair value of listed equity shares, mutual fund units, AIFs and units of REITs/InvITs pertaining to shareholders' investments and non-linked policyholders investments are taken to "Revenue & Other Reserves (Schedule 2)" and "Liabilities relating to Policyholders in Insurance Business (Schedule 5)" respectively, in the Balance Sheet.

**(ii) Valuation of investment pertaining to linked business:**

- Debt Securities including Government securities with remaining maturity of more than one year are valued at prices obtained from CRISIL. Debt securities including Government securities with remaining maturity of less than one year are valued on yield to maturity basis, where yield is derived using market price provided by CRISIL on the day when security is classified as short term. If security is purchased during its short term tenor, it is valued at amortised cost using yield to maturity method. In case of securities with options, earliest Call Option/ Put Option date will be taken as maturity date for this purpose. Money market securities are valued at historical cost subject to amortisation of premium or accretion of discount on yield to maturity basis.
- Listed equity shares, equity related instruments and preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. NSE is considered. If NSE

closing price is not available, closing price of the BSE is considered.

- Unlisted equity shares, equity related instruments and preference shares are measured at historical cost.
- In case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.
- Additional Tier 1 (Basel III compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from CRISIL.
- Investments in mutual fund units are valued at the previous day's Net Asset Value (NAV).
- The Investment in units of REITs / InvITs are valued at Market Value (last quoted price should not be later than 30 days). For the purpose of determining market value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available for any security, then BSE closing price is used for valuation. Where market quote is not available for the last 30 days, the units are valued as per the latest NAV (not more than 6 months old) of the units published by the trust.
- Unrealised gains or losses arising due to changes in the fair value are recognised in the Profit & Loss Account.

### 3. Loans/Advances and Provisions thereon:

3.1 Based on the guidelines/directives issued by the RBI, Loans and Advances are classified as performing and non-performing as follows:

- i. A term loan is classified a non-performing asset, if interest and/or instalment of principal remains overdue for a period of more than 90 days;
- ii. An Overdraft or Cash Credit is classified a non-performing asset, if the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance-sheet, or if the credits are not adequate to cover the interest debited during the same period;

- iii. The bills purchased/discounted are classified as non-performing assets, if the bill remains overdue for a period of more than 90 days;
- iv. The agricultural advances are classified as non-performing assets, if (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

- i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.
- iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

|                            |      |                                                                                                                                                          |
|----------------------------|------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Substandard Assets:</b> | i.   | A general provision of 15% on the total outstanding;                                                                                                     |
|                            | ii.  | Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio); |
|                            | iii. | Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available – 20%.                           |
| <b>Doubtful Assets:</b>    |      |                                                                                                                                                          |
| - Secured portion:         | i.   | Upto one year – 25%                                                                                                                                      |
|                            | ii.  | One to three years – 40%                                                                                                                                 |
|                            | iii. | More than three years – 100%                                                                                                                             |
| - Unsecured portion        |      | 100%                                                                                                                                                     |
| <b>Loss Assets:</b>        |      | 100%                                                                                                                                                     |

3.4 In respect of foreign offices/entities, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more prudent.

3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.

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- 3.6 For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loan/advances before and after restructuring is provided for, in addition to provision for the respective loans/advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.
- 3.7 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.
- 3.8 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.
- 3.9 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.
- 3.10 The Bank also makes additional provisions on specific non-performing assets.
- 3.11 Appropriation of recoveries in NPAs are made in order of priority as under :
- Charges, Costs, Commission etc.
  - Unrealised Interest / Interest
  - Principal

However, in Compromise and Resolution/ Settlement through National Company Law Tribunal (NCLT) cases, the recoveries are appropriated as per the terms of respective compromise/ resolution/ settlement. In case of suit filed accounts, recovery is appropriated as per directives of respective courts.

## 4. Floating Provisions & Countercyclical Provisioning Buffer:

The Bank has a policy for creation and utilisation of Countercyclical Provisioning Buffer in good times as well as for Floating Provisions separately for advances, investments and general purposes. The quantum of Countercyclical Provisioning Buffer and Floating Provisions to be created is assessed at the end of the financial year. These provisions are utilised only for contingencies under extra ordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

## 5. Provision for Country Exposure for Banking Entities:

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the "Other Liabilities & Provisions – Others".

## 6. Derivatives:

- 6.1 The Bank enters in derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, cross currency interest rate swaps and forward rate agreements to hedge on-Balance Sheet/off-Balance Sheet assets and liabilities or for trading purposes. The swap contracts entered to hedge on-Balance Sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-Balance Sheet items. The impact of such derivative instruments is correlated with the movement of the underlying assets and accounted in accordance with the principles of hedge accounting.
- 6.2 Derivative contracts classified as hedge are recorded on accrual basis. Hedge contracts are not marked to market unless the underlying assets / liabilities are also marked to market.
- 6.3 Except as mentioned above, all other derivative contracts are marked to market as per the Generally Accepted Accounting Practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the Profit and Loss Account in the period of change. Any receivable under derivative contracts, which remain overdue for more than 90 days, are reversed through Profit and Loss Account to "Suspense Account - Crystallised Receivables". In cases where the derivative contracts provide for more settlement in future and if the derivative contract is not terminated on the overdue receivables remaining unpaid for 90 days, the positive MTM pertaining to future receivables is also reversed from Profit and Loss Account to "Suspense Account - Positive MTM".

- 6.4 Option premium paid or received is recorded in Profit and Loss Account at the expiry of the option. The balance in the premium received on options sold and premium paid on options bought is considered to arrive at Mark to Market value for forex Over the Counter (OTC) options.
- 6.5 Exchange Traded Derivatives entered in for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognised in the Profit and Loss Account.

## 7. Fixed Assets Depreciation and Amortisation:

- 7.1 Fixed Assets are carried at cost less accumulated depreciation/ amortisation except for freehold premises carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation, as stated otherwise.
- 7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability. The fixed assets in domestic offices/ entities are depreciated at straight line method based on useful life of the assets states as under:

| Sr. No. | Description of Fixed Assets                                                                                  | Useful Life |
|---------|--------------------------------------------------------------------------------------------------------------|-------------|
| 1       | Computers                                                                                                    | 3 Years     |
| 2       | Computer Software forming an integral part of the computer hardware                                          | 3 Years     |
| 3       | Computer Software which does not form an integral part of Computer hardware and cost of Software Development | 3 Years     |
| 4       | Automated Teller Machine/ Cash Deposit Machine/Coin Dispenser / Coin Vending Machine                         | 5 Years     |
| 5       | Servers                                                                                                      | 4 Years     |
| 6       | Network Equipment                                                                                            | 5 Years     |
| 7       | Other major fixed assets                                                                                     |             |
|         | Premises                                                                                                     | 60 Years    |
|         | Safe Deposit Lockers                                                                                         | 20 Years    |
|         | Furniture & Fixtures                                                                                         | 10 Years    |
|         | Air Conditioners                                                                                             | 8 Years     |
|         | Vehicles                                                                                                     | 5 Years     |

- 7.3 In respect of assets acquired during the year for domestic operations, depreciation is charged on proportionate basis for the number of days assets have been put to use during the year.

- 7.4 Assets costing less than ₹1,000 each are charged off in the year of purchase.
- 7.5 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease (except for premises and land on perpetual lease) and Lease payments for assets taken on Operating lease are recognised as expense in the Profit & Loss account over the lease term on straight line basis.
- 7.6 In respect of fixed assets held at foreign offices/entities, depreciation is provided as per the regulations /norms of the respective countries.
- 7.7 The Bank revalue freehold immovable assets at every three years. The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to General Reserve. The revalued asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

## 8. Leases:

The asset classification and provisioning norms applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

## 9. Impairment of Assets:

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

## 10. Effect of changes in the foreign exchange rate:

### 10.1 Foreign Currency Transactions:

- Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.

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- ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/forward) rates.
- iii. Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.
- iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.
- v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognised in the Profit and Loss Account.
- vi. Foreign exchange forward contracts which are not intended for trading and are outstanding on the Balance Sheet date, are re-valued at the closing spot rate. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.
- vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.
- viii. Gains / Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss Account.

## 10.2 Foreign Operations:

Foreign Branches/Subsidiaries / Joint Ventures of the Bank and Offshore Banking Units (OBU) have been classified as Non-integral Operations and Representative Offices have been classified as Integral Operations.

### a. Non-integral Operations:

- i. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- ii. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.
- iii. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.
- iv. The Assets and Liabilities of foreign offices/subsidiaries /joint ventures in foreign currency (other than local currency of the foreign offices/subsidiaries/joint ventures) are translated into local currency using spot rates applicable to that country on the Balance Sheet date.

### b. Integral Operations:

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- ii. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/Forward) exchange rates notified by FEDAI at the Balance Sheet date and the resulting Profit/Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.
- iii. Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.



## 11. Employee Benefits:

### 11.1 Short Term Employee Benefits:

The undiscounted amounts of short-term employee benefits, such as medical benefits, which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

### 11.2 Long Term Employee Benefits:

#### i. Defined Benefit Plans:

- a. SBI operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. SBI contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a Trust established for this purpose and are charged to Profit and Loss Account. SBI recognises such annual contributions as an expense in the year to which it relates, Shortfall, if any, is provided for based on actuarial valuation.

SBI Life Insurance Company Limited makes contribution towards provident fund, a defined benefit retirement plan. The provident fund is administered by the trustees of the SBI Life Insurance Company Limited Employees PF Trust. The contribution paid or payable under the schemes is charged to the Profit and Loss Account during the period in which the employee renders the related service. Further, an actuarial valuation is conducted annually by an independent actuary to recognise the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate.

- b. The group entities operate separate Gratuity schemes, which are defined benefit plans. The group entities provide for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement or on death while in employment, or on termination of employment, for an amount equivalent

to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities. Vesting occurs upon completion of five years of service. SBI makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.

- c. SBI provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. SBI makes monthly contribution to the Pension Fund at 10% of salary in terms of SBI Employees' Pension Fund Regulations. The pension liability is reckoned based on an independent actuarial valuation carried out annually and SBI makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the Pension Fund Regulations.
- d. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains/losses are immediately recognised in the Profit and Loss and are not deferred.

#### ii. Defined Contribution Plans:

SBI operates a New Pension Scheme (NPS) for all officers/ employees joining SBI on or after 1<sup>st</sup> August, 2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing SBI Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with SBI's contribution at 14% of basic pay plus dearness allowance. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in SBI and earn interest at the same rate as that of the current account

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of Provident Fund balance. SBI recognises such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

### iii. Other Long Term Employee benefits:

- a. All eligible employees of the Group are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The cost of such long-term employee benefits are internally funded by the group entities.
- b. The cost of providing other long-term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost, if any, is immediately recognised in the Profit and Loss and is not deferred.

11.3 Employee benefits relating to employees employed at foreign offices/ entities are valued and accounted for as per the respective local laws/regulations.

## 12. Segment Reporting:

The Group recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

## 13. Taxes on income:

Income tax expense is the aggregate amount of current tax, deferred tax and fringe benefit tax expense incurred by the Group. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – “Accounting for Taxes on Income” respectively after considering taxes paid at the foreign offices, which are based on the tax laws of respective jurisdiction. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year and carry forward losses.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account. Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgement as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

In Consolidated Financial Statement, income tax expenses are the aggregate of the amounts of tax expense appearing in the separate financial statements of the parent and its subsidiaries/joint ventures, as per their applicable laws.

## 14. Earnings per Share:

14.1 The Bank reports basic and diluted earnings per share in accordance with AS 20 – “Earnings per Share” issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders (other than minority) by the weighted average number of equity shares outstanding for the year.

14.2 Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

## 15. Provisions, Contingent Liabilities and Contingent Assets:

15.1 In conformity with AS 29, “Provisions, Contingent Liabilities and Contingent Assets”, issued by the Institute of Chartered Accountants of India, the Group recognises provisions only when it has a present obligation because of a past event and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.



### 15.2 No provision is recognised for

- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group entities; or
- ii. any present obligation that arises from past events but is not recognised because
  - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

15.3 Provision for reward points in relation to the "Enterprise-Wide Loyalty Programme" of SBI is being provided for on actuarial estimates.

15.4 Provisions for onerous contracts are recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises

any impairment loss on the assets associated with that contract.

15.5 Contingent Assets are not recognised in the financial statements.

### 16. Bullion Transactions:

SBI imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on price quoted by the supplier. SBI earns a fee on such bullion transactions. The fee is classified under commission income. SBI also accepts deposits and lends gold, which is treated as deposits/advances as the case may be with the interest paid/received classified as interest expense / income. Gold Deposits, Metal Loan Advances and closing Gold Balances are valued at available Market Rate as on the date of Balance Sheet.

### 17. Special Reserves:

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors of the Bank has passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

### 18. Share Issue Expenses:

Share issue expenses are charged to the Share Premium Account.

### 19. Cash and cash equivalents:

Cash and cash equivalents include Cash and Balances with RBI, Balances with Banks and money at call and short notice.

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## SCHEDULE 18 - NOTES TO ACCOUNTS:

### 1. List of Subsidiaries/Joint Ventures/Associates considered for preparation of consolidated financial statements:

**1.1** The 26 Subsidiaries, 7 Joint Ventures and 19 Associates including 14 Regional Rural Banks from/upto respective dates of merger/exit during the year (which along with State Bank of India, the parent, constitute the Group), considered in the preparation of the consolidated financial statements, are :

#### A) Subsidiaries:

| S. No. | Name of the Subsidiary                              | Country of incorporation | Group's Stake (%) |               |
|--------|-----------------------------------------------------|--------------------------|-------------------|---------------|
|        |                                                     |                          | Current Year      | Previous Year |
| 1)     | SBI Capital Markets Ltd.                            | India                    | 100.00            | 100.00        |
| 2)     | SBICAP Securities Ltd.                              | India                    | 100.00            | 100.00        |
| 3)     | SBICAP Trustee Company Ltd.                         | India                    | 100.00            | 100.00        |
| 4)     | SBICAP Ventures Ltd.                                | India                    | 100.00            | 100.00        |
| 5)     | SBI DFHI Ltd.                                       | India                    | 72.17             | 72.17         |
| 6)     | SBI Global Factors Ltd.                             | India                    | 100.00            | 100.00        |
| 7)     | SBI CDMDT Trustee Pvt. Ltd. (w.e.f. 25.07.2023)     | India                    | 100.00            | -             |
| 8)     | SBI Mutual Fund Trustee Company Pvt Ltd.            | India                    | 100.00            | 100.00        |
| 9)     | SBI Payment Services Pvt. Ltd. @                    | India                    | 74.00             | 74.00         |
| 10)    | SBI Pension Funds Pvt Ltd.                          | India                    | 92.44             | 92.51         |
| 11)    | State Bank Operations Support Services Pvt. Ltd.    | India                    | 100.00            | 100.00        |
| 12)    | SBI Life Insurance Company Ltd.                     | India                    | 55.42             | 55.45         |
| 13)    | SBI General Insurance Company Ltd.                  | India                    | 69.11             | 69.95         |
| 14)    | SBI Cards and Payment Services Ltd.                 | India                    | 68.63             | 68.98         |
| 15)    | SBI-SG Global Securities Services Pvt. Ltd. @       | India                    | 65.00             | 65.00         |
| 16)    | SBI Funds Management Ltd. @                         | India                    | 62.21             | 62.53         |
| 17)    | SBI Funds Management (International) Private Ltd. @ | Mauritius                | 62.21             | 62.53         |
| 18)    | Commercial Indo Bank Llc , Moscow                   | Russia                   | 100.00            | 100.00        |
| 19)    | SBI Canada Bank                                     | Canada                   | 100.00            | 100.00        |
| 20)    | State Bank of India (California)                    | USA                      | 100.00            | 100.00        |
| 21)    | State Bank of India (UK) Limited                    | UK                       | 100.00            | 100.00        |
| 22)    | State Bank of India Servicos Limitada               | Brazil                   | 100.00            | 100.00        |
| 23)    | SBI (Mauritius) Ltd.                                | Mauritius                | 96.60             | 96.60         |
| 24)    | PT Bank SBI Indonesia                               | Indonesia                | 99.56             | 99.56         |
| 25)    | Nepal SBI Bank Ltd.                                 | Nepal                    | 55.00             | 55.00         |
| 26)    | Nepal SBI Merchant Banking Limited                  | Nepal                    | 55.00             | 55.00         |

@ Represents companies which are jointly controlled entities in terms of the shareholders' agreement. However, the same are consolidated as subsidiaries in accordance with AS 21 "Consolidated Financial Statements" as SBI's holding in these companies exceeds 50%.

**B) Joint Ventures:**

| S. No. | Name of the Joint Venture                                       | Country of Incorporation | Group's Stake (%) |               |
|--------|-----------------------------------------------------------------|--------------------------|-------------------|---------------|
|        |                                                                 |                          | Current Year      | Previous Year |
| 1)     | C - Edge Technologies Ltd.                                      | India                    | 49.00             | 49.00         |
| 2)     | SBI Macquarie Infrastructure Management Pvt. Ltd.               | India                    | 45.00             | 45.00         |
| 3)     | SBI Macquarie Infrastructure Trustee Pvt. Ltd.                  | India                    | 45.00             | 45.00         |
| 4)     | Macquarie SBI Infrastructure Management Pte. Ltd.               | Singapore                | 45.00             | 45.00         |
| 5)     | Macquarie SBI Infrastructure Trustee Ltd.                       | Bermuda                  | 45.00             | 45.00         |
| 6)     | Oman India Joint Investment Fund – Management Company Pvt. Ltd. | India                    | 50.00             | 50.00         |
| 7)     | Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.    | India                    | 50.00             | 50.00         |

**C) Associates:**

| S. No. | Name of the Associate                             | Country of Incorporation | Group's Stake (%) |               |
|--------|---------------------------------------------------|--------------------------|-------------------|---------------|
|        |                                                   |                          | Current Year      | Previous Year |
| 1)     | Andhra Pradesh Grameena Vikas Bank                | India                    | 35.00             | 35.00         |
| 2)     | Arunachal Pradesh Rural Bank                      | India                    | 35.00             | 35.00         |
| 3)     | Chhattisgarh Rajya Gramin Bank                    | India                    | 35.00             | 35.00         |
| 4)     | Ellaquai Dehati Bank                              | India                    | 35.00             | 35.00         |
| 5)     | Madhyanchal Gramin Bank                           | India                    | 35.00             | 35.00         |
| 6)     | Meghalaya Rural Bank                              | India                    | 35.00             | 35.00         |
| 7)     | Mizoram Rural Bank                                | India                    | 35.00             | 35.00         |
| 8)     | Nagaland Rural Bank                               | India                    | 35.00             | 35.00         |
| 9)     | Saurashtra Gramin Bank                            | India                    | 35.00             | 35.00         |
| 10)    | Utkal Grameen Bank                                | India                    | 35.00             | 35.00         |
| 11)    | Uttarakhand Gramin Bank                           | India                    | 35.00             | 35.00         |
| 12)    | Jharkhand Rajya Gramin Bank                       | India                    | 35.00             | 35.00         |
| 13)    | Rajasthan Marudhara Gramin Bank                   | India                    | 35.00             | 35.00         |
| 14)    | Telangana Grameena Bank                           | India                    | 35.00             | 35.00         |
| 15)    | The Clearing Corporation of India Ltd.            | India                    | 20.05             | 20.05         |
| 16)    | Yes Bank Ltd.                                     | India                    | 26.13             | 26.14         |
| 17)    | Bank of Bhutan Ltd.                               | Bhutan                   | 20.00             | 20.00         |
| 18)    | Investec Capital Services (India) Private Limited | India                    | 19.70             | 19.70         |
| 19)    | Jio Payments Bank Ltd.                            | India                    | 22.75             | 23.02         |

- a) During the year ended 31<sup>st</sup> March 2024, SBI has acquired the stake in following group companies from SBI Capital Markets Limited (wholly owned subsidiary of SBI):
- 20% stake in SBI Pension Funds Private Limited (subsidiary of SBI) for a consideration of ₹229.52 Crore.
  - 100% stake in SBICAP Ventures Limited (subsidiary of SBI Capital Markets Limited) for a consideration of ₹708.07 Crore.
- SBI Group's stake remains same after the aforesaid transactions.
- b) SBI CDMDF Trustee Private Limited has been incorporated on 25<sup>th</sup> July 2023 as a wholly owned subsidiary of the Bank and on 3<sup>rd</sup> August 2023 the Bank has infused capital of ₹0.10 Crore. The company shall provide the trusteeship services to Corporate Debt Market Development Fund (CDMDF).

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- c) During the year ended 31<sup>st</sup> March 2024, SBI has infused additional capital of ₹489.67 Crore in SBI General Insurance Company Limited, a subsidiary of SBI. Further, the subsidiary has allotted 27,80,701 equity shares of ₹10 each under Employee Stock Option Plan (ESOP) to its eligible employees. Consequently, the stake of SBI has decreased from 69.95% to 69.11%.
- d) Pursuant to exercise of options under the approved Employee Stock Option Plan (ESOP), following group entities have issued equity shares to their eligible employees:-
- SBI Cards and Payment Services Limited has allotted 48,94,130 equity shares of ₹10 each during the year ended 31<sup>st</sup> March 2024. Consequently, the stake of SBI in SBI Cards and Payment Services Limited has reduced from 68.98% to 68.63%.
  - SBI Life Insurance Company Limited has allotted 5,70,706 equity shares of ₹10 each during the year ended 31<sup>st</sup> March 2024. Consequently, the stake of SBI in SBI Life Insurance Company Limited has reduced from 55.45% to 55.42%.
  - SBI Funds Management Limited has allotted 26,15,829 equity shares of ₹1 each during the year ended 31<sup>st</sup> March 2024. Consequently, the stake of SBI in SBI Funds Management Limited has reduced from 62.53% to 62.21% and the stake of SBI Group in SBI Funds Management (International) Private Limited and SBI Pension Funds Private Limited has reduced from 62.53% and 92.51% to 62.21% and 92.44% respectively.
  - Yes Bank Limited has allotted 1,31,06,772 equity shares of ₹2 each during the year ended 31<sup>st</sup> March 2024. Consequently, the stake of SBI in Yes Bank Limited has reduced from 26.14% to 26.13%.
- e) During the year ended 31<sup>st</sup> March 2024, SBI has infused additional capital in the following Regional Rural Banks (RRBs) sponsored by it: -

|                              |  | (₹ in Crore) |
|------------------------------|--|--------------|
| Particular                   |  | Amount       |
| Arunachal Pradesh Rural Bank |  | 0.12         |
| Ellaquai Dehati Bank         |  | 26.30        |
| Jharkhand Rajya Gramin Bank  |  | 7.90         |
| Madhyanchal Gramin Bank      |  | 22.94        |
| Mizoram Rural Bank           |  | 2.89         |
| Nagaland Rural Bank          |  | 0.82         |
| Utkal Grameen Bank           |  | 10.29        |
| Uttarakhand Gramin Bank      |  | 10.90        |
| <b>Total</b>                 |  | <b>82.16</b> |

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

- f) During the year ended 31<sup>st</sup> March 2024, Jio Payments Bank Ltd., an associate of SBI, has offered right issue of its equity shares in which SBI did not participate. Consequently, the stake of SBI has reduced from 23.02% to 22.75% in the said associate.
- g) SBI Funds Management Limited (subsidiary of SBI) has incorporated a wholly owned subsidiary namely SBI Funds International (IFSC) Limited on 7<sup>th</sup> February 2024 in Gift City - Gandhinagar. As on 31<sup>st</sup> March 2024, the license approval from International Financial Services Centres Authority (IFSCA) for doing business as 'Fund Management Entity' (FME) is in process. Subsequent to the approval, the capital will be infused in the subsidiary and will be considered as group subsidiary in Consolidated Financial Statements of SBI.
- h) SBI Infra Management Solutions Private Limited, wholly owned subsidiary of SBI and SBI Home Finance Ltd., an associate in which the Group is having 26% stake, are under liquidation and therefore, not being considered for consolidation in preparation of Consolidated Financial Statements as per Accounting Standard 21.
- i) As SBI Foundation is a Not-for-Profit Company [incorporated under section 7(2) of Companies Act, 2013], SBI Foundation is not being considered for consolidation in preparation of Consolidated Financial statements as per Accounting Standard 21.
- 1.2 The consolidated financial statements for the financial year 2023-24 of the Group include unaudited financial statements of one subsidiary (SBI Canada Bank) & one associate (Bank of Bhutan Ltd.) the results of which are not material.

## 2. Disclosures as per Accounting Standards

### 2.1 Accounting Standard 5 - "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies"

- During the year, there were no material prior period income / expenditure items.
- There is no change in the Significant Accounting Policies adopted during the Financial Year 2023-2024 as compared to those followed in the previous Financial Year 2022-2023.

### 2.2 Accounting Standard- 15 "Employee Benefits":

#### 2.2.1 Defined Benefit Plans

##### 2.2.1.1 Employee's Pension Plans and Gratuity Plans

The following table sets out the status of the Defined Benefit Pension Plans and Gratuity Plan as required under AS 15 (Revised 2005):

(₹ in Crore)

| Particulars                                                                                | Pension Plans      |                    | Gratuity Plans   |                  |
|--------------------------------------------------------------------------------------------|--------------------|--------------------|------------------|------------------|
|                                                                                            | Current Year       | Previous Year      | Current Year     | Previous Year    |
| <b>Change in the present value of the defined benefit obligation</b>                       |                    |                    |                  |                  |
| Opening defined benefit obligation as at 1 <sup>st</sup> April                             | 1,56,966.26        | 1,46,124.99        | 12,759.77        | 13,035.01        |
| Current Service Cost                                                                       | 956.93             | 972.83             | 510.49           | 499.72           |
| Interest Cost                                                                              | 11,537.02          | 10,740.19          | 953.63           | 943.85           |
| Past Service Cost (Vested Benefit)                                                         | 7,100.00           | -                  | 8.48             | -                |
| Liability pertains to outgoing Joint Venture                                               | -                  | -                  | -                | (0.27)           |
| Actuarial losses /(gains)                                                                  | 26,225.01          | 9,824.44           | 596.59           | 66.56            |
| Benefits paid                                                                              | (5,165.42)         | (4,848.06)         | (1,559.11)       | (1,785.10)       |
| Direct Payment by SBI                                                                      | (6,674.84)         | (5,848.13)         | -                | -                |
| <b>Closing defined benefit obligation as at 31<sup>st</sup> March</b>                      | <b>1,90,944.96</b> | <b>1,56,966.26</b> | <b>13,269.85</b> | <b>12,759.77</b> |
| <b>Change in Plan Assets</b>                                                               |                    |                    |                  |                  |
| Opening fair value of plan assets as at 1 <sup>st</sup> April                              | 1,33,148.54        | 1,30,590.73        | 11,397.87        | 11,222.46        |
| Expected Return on Plan assets                                                             | 9,786.42           | 9,598.42           | 852.08           | 812.65           |
| Contributions by employer                                                                  | 7,634.52           | 2,171.59           | 1,407.55         | 1,486.86         |
| Expected Contribution by the employees                                                     | -                  | 0.10               | 0.09             | -                |
| Benefits Paid                                                                              | (5,165.42)         | (4,848.06)         | (1,559.11)       | (1,785.10)       |
| Actuarial Gains / (Losses) on plan assets                                                  | 6,239.91           | (4,364.24)         | 458.61           | (339.00)         |
| <b>Closing fair value of plan assets as at 31<sup>st</sup> March</b>                       | <b>1,51,643.97</b> | <b>1,33,148.54</b> | <b>12,557.09</b> | <b>11,397.87</b> |
| <b>Reconciliation of present value of the obligation and fair value of the plan assets</b> |                    |                    |                  |                  |
| Present Value of funded obligation at the year end                                         | 1,90,944.96        | 1,56,966.26        | 13,269.85        | 12,759.77        |
| Fair Value of plan assets at the year end                                                  | 1,51,643.97        | 1,33,148.54        | 12,557.09        | 11,397.87        |
| Deficit/(Surplus)                                                                          | 39,300.99          | 23,817.72          | 712.76           | 1,361.90         |
| Unrecognised Past Service Cost (Vested) Closing Balance                                    | -                  | -                  | -                | -                |
| Unrecognised Transitional Liability Closing Balance                                        | -                  | -                  | -                | -                |
| <b>Net Liability/(Asset)</b>                                                               | <b>39,300.99</b>   | <b>23,817.72</b>   | <b>712.76</b>    | <b>1,361.90</b>  |

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forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

(₹ in Crore)

| Particulars                                                                                                    | Pension Plans    |                  | Gratuity Plans  |                 |
|----------------------------------------------------------------------------------------------------------------|------------------|------------------|-----------------|-----------------|
|                                                                                                                | Current Year     | Previous Year    | Current Year    | Previous Year   |
| <b>Amount Recognised in the Balance Sheet</b>                                                                  |                  |                  |                 |                 |
| Liabilities                                                                                                    | 1,90,944.96      | 1,56,966.26      | 13,269.85       | 12,759.77       |
| Assets                                                                                                         | 1,51,643.97      | 1,33,148.54      | 12,557.09       | 11,397.87       |
| Net Liability / (Asset) recognised in Balance Sheet                                                            | 39,300.99        | 23,817.72        | 712.76          | 1,361.90        |
| Unrecognised Past Service Cost (Vested) Closing Balance                                                        | -                | -                | -               | -               |
| Unrecognised Transitional Liability Closing Balance                                                            | -                | -                | -               | -               |
| <b>Net Liability/ (Asset)</b>                                                                                  | <b>39,300.99</b> | <b>23,817.72</b> | <b>712.76</b>   | <b>1,361.90</b> |
| <b>Net Cost recognised in the profit and loss account</b>                                                      |                  |                  |                 |                 |
| Current Service Cost                                                                                           | 956.93           | 972.83           | 510.49          | 499.72          |
| Interest Cost                                                                                                  | 11,537.02        | 10,740.19        | 953.63          | 943.85          |
| Expected return on plan assets                                                                                 | (9,786.42)       | (9,598.42)       | (852.08)        | (812.65)        |
| Expected Contributions by the employees                                                                        | -                | (0.10)           | (0.09)          | -               |
| Past Service Cost (Amortised) Recognised                                                                       | -                | -                | -               | -               |
| Past Service Cost (Vested Benefits) Recognised                                                                 | 7,100.00         | -                | 8.48            | -               |
| Net Actuarial Losses / (Gains) recognised during the year                                                      | 19,985.10        | 14,188.68        | 137.98          | 405.56          |
| <b>Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"</b> | <b>29,792.63</b> | <b>16,303.18</b> | <b>758.41</b>   | <b>1,036.48</b> |
| <b>Reconciliation of expected return and actual return on Plan Assets</b>                                      |                  |                  |                 |                 |
| Expected Return on Plan Assets                                                                                 | 9,786.42         | 9,598.42         | 852.08          | 812.65          |
| Actuarial Gains/ (Losses) on Plan Assets                                                                       | 6,239.91         | (4,364.24)       | 458.61          | (339.00)        |
| Actual Return on Plan Assets                                                                                   | <b>16,026.33</b> | <b>5,234.18</b>  | <b>1,310.69</b> | <b>473.65</b>   |
| <b>Reconciliation of opening and closing net liability/(asset) recognised in Balance Sheet</b>                 |                  |                  |                 |                 |
| Opening Net Liability/(Asset) as at 1 <sup>st</sup> April                                                      | <b>23,817.72</b> | <b>15,534.26</b> | <b>1,361.90</b> | <b>1,812.55</b> |
| Expenses as recognised in profit and loss account                                                              | 29,792.63        | 16,303.18        | 758.41          | 1,036.48        |
| Paid by SBI Directly                                                                                           | (6,674.84)       | (5,848.13)       | -               | -               |
| Debited to Other Provision                                                                                     | -                | -                | -               | -               |
| Recognised in Reserve                                                                                          | -                | -                | -               | -               |
| Liability pertains to outgoing Joint Venture                                                                   | -                | -                | -               | (0.27)          |
| Employer's Contribution                                                                                        | (7,634.52)       | (2,171.59)       | (1,407.55)      | (1,486.86)      |
| <b>Net liability/(Asset) recognised in Balance Sheet</b>                                                       | <b>39,300.99</b> | <b>23,817.72</b> | <b>712.76</b>   | <b>1,361.90</b> |

**Investments under Plan Assets of Gratuity Fund & Pension Fund as on 31<sup>st</sup> March 2024 are as follows:**

| Category of Assets                                         | Pension Fund     | Gratuity Fund    |
|------------------------------------------------------------|------------------|------------------|
|                                                            | % of Plan Assets | % of Plan Assets |
| Central Govt. Securities                                   | 13.82%           | 14.74%           |
| State Govt. Securities                                     | 36.25%           | 33.11%           |
| Debt Securities, Money Market Securities and Bank Deposits | 28.36%           | 25.27%           |
| ETF and Mutual Funds                                       | 15.06%           | 12.78%           |
| Insurer Managed Funds                                      | 1.10%            | 13.04%           |
| Others                                                     | 5.41%            | 1.06%            |
| <b>Total</b>                                               | <b>100.00%</b>   | <b>100.00%</b>   |

**Principal actuarial assumptions:**

| Particulars                           | Pension Plans |               |
|---------------------------------------|---------------|---------------|
|                                       | Current year  | Previous year |
| Discount Rate                         | 7.23%         | 7.53%         |
| Expected Rate of return on Plan Asset | 7.23%         | 7.53%         |
| Salary Escalation Rate                | 6.00%         | 6.00%         |
| Pension Escalation Rate               | 2.00%         | 2.00%         |
| Attrition Rate                        | 2.00%         | 2.00%         |

| Particulars                           | Gratuity Plans |               |
|---------------------------------------|----------------|---------------|
|                                       | Current year   | Previous year |
| Discount Rate                         | 7.21%          | 7.48%         |
| Expected Rate of return on Plan Asset | 7.21%          | 7.48%         |
| Salary Escalation Rate                | 6.00%          | 6.00%         |
| Attrition Rate                        | 2.00%          | 2.00%         |

The expected contribution to the Pension and Gratuity fund for the next year is ₹8,250.00 Crore and ₹745.92 Crore respectively.

In case of SBI, the plan assets are marked to market on the basis of the yield curve derived from government securities, the expected rate of return has been kept the same as the discount rate.

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience/immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

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## 2.2.1.2 Employees Provident Fund

Actuarial valuation carried out in respect of interest shortfall in Provident Fund Trust shows "Nil" liability, hence no provision is made in F.Y. 2023-24.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuaries:

| Particulars                                                                                                    | Provident Fund   |                  |
|----------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                                | Current Year     | Previous Year    |
| <b>Change in the present value of the defined benefit obligation</b>                                           |                  |                  |
| Opening defined benefit obligation as at 1 <sup>st</sup> April                                                 | <b>39,138.17</b> | <b>37,507.53</b> |
| Current Service Cost                                                                                           | 2,170.31         | 1,519.50         |
| Interest Cost                                                                                                  | 3,165.52         | 2,825.03         |
| Employee Contribution (including VPF)                                                                          | 2,925.93         | 2,038.86         |
| Actuarial losses/(gains)                                                                                       | (5.03)           | 1.00             |
| Benefits paid                                                                                                  | (4,511.07)       | (4,753.75)       |
| Closing defined benefit obligation as at 31 <sup>st</sup> March                                                | <b>42,883.83</b> | <b>39,138.17</b> |
| <b>Change in Plan Assets</b>                                                                                   |                  |                  |
| Opening fair value of Plan Assets as at 1 <sup>st</sup> April                                                  | <b>40,122.71</b> | <b>38,426.83</b> |
| Expected Return on Plan Assets                                                                                 | 3,180.68         | 2,820.87         |
| Contributions                                                                                                  | 5,096.24         | 3,558.36         |
| Provision for loss on maturity of non-performing investment                                                    | -                | -                |
| Benefits Paid                                                                                                  | (4,511.07)       | (4,753.75)       |
| Actuarial Gains / (Loss) on plan Assets                                                                        | (203.43)         | 70.40            |
| Closing fair value of plan assets as at 31 <sup>st</sup> March                                                 | <b>43,685.13</b> | <b>40,122.71</b> |
| <b>Reconciliation of present value of the obligation and fair value of the plan assets</b>                     |                  |                  |
| Present Value of Funded obligation at the year end                                                             | <b>42,883.83</b> | <b>39,138.17</b> |
| Fair Value of Plan assets at the year end                                                                      | 43,685.13        | 40,122.71        |
| Deficit/(Surplus)                                                                                              | (801.30)         | (984.54)         |
| Net Asset not recognised in Balance Sheet                                                                      | <b>801.30</b>    | <b>984.54</b>    |
| <b>Net Cost recognised in the profit and loss account</b>                                                      |                  |                  |
| Current Service Cost                                                                                           | 2,170.31         | 1,519.50         |
| Interest Cost                                                                                                  | 3,165.52         | 2,825.03         |
| Expected return on plan assets                                                                                 | (3,180.68)       | (2,820.87)       |
| Interest shortfall reversed                                                                                    | -                | -                |
| <b>Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"</b> | <b>2,155.15</b>  | <b>1,523.66</b>  |
| <b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b>                |                  |                  |
| Opening Net Liability as at 1 <sup>st</sup> April                                                              | -                | -                |
| Expense as above                                                                                               | 2,155.15         | 1,523.66         |
| Employer's Contribution                                                                                        | (2,155.15)       | (1,523.66)       |
| Net Liability/(Asset) Recognised in the Balance Sheet                                                          | -                | -                |

(₹ in Crore)



**Investments under Plan Assets of Provident Fund as on 31<sup>st</sup> March 2024 are as follows:**

| Category of Assets                                         | Provident Fund   |
|------------------------------------------------------------|------------------|
|                                                            | % of Plan Assets |
| Central Govt. Securities                                   | 18.23%           |
| State Govt. Securities                                     | 34.77%           |
| Debt Securities, Money Market Securities and Bank Deposits | 32.35%           |
| Mutual Funds                                               | 8.61%            |
| Others                                                     | 6.04%            |
| <b>Total</b>                                               | <b>100.00%</b>   |

**Principal actuarial assumptions**

| Particulars       | Provident Fund |               |
|-------------------|----------------|---------------|
|                   | Current year   | Previous year |
| Discount Rate     | 7.21%          | 7.48%         |
| Guaranteed Return | 8.15%          | 8.10%         |
| Attrition Rate    | 2.00%          | 2.00%         |
| Salary Escalation | 6.00%          | 6.00%         |

- i) There is a guaranteed return applicable to liability under SBI Employees Provident Fund which shall not be lower of either:
  - (a) one half percent above the average standard rate (adjusted up or down to the interest one quarter per cent) quoted by the bank for new deposits fixed for twelve months in the preceding year (ending on the preceding the 31<sup>st</sup> day of March); or
  - (b) three percent per annum, subject to approval of Executive Committee.
- ii) The rules of the SBI Life Insurance Company Ltd.'s Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company.

## 2.2.2 Defined Contribution Plans

### 2.2.2.1 Employees Provident Fund

An amount of ₹64.17 Crore (Previous Year ₹48.57 Crore) is contributed towards the Provident Fund Scheme by the group (excluding the entities covered in Note 2.2.1.2) and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

### 2.2.2.2 Defined Contribution Pension Scheme

SBI has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining SBI on or after 1<sup>st</sup> August 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During FY2024, SBI has contributed ₹1,552.41 Crore (Previous Year ₹1,296.27 Crore).

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## 2.2.2.3 The following amount is provided by the group (excluding SBI) towards Defined Contribution Plans:

(₹ in Crore)

| Sl. No.      | Long Term Employees' Benefits        | Current Year | Previous Year |
|--------------|--------------------------------------|--------------|---------------|
| 1            | Employee Pension Scheme under PF Act | 44.06        | 37.39         |
| 2            | National Pension System              | 10.32        | 16.84         |
| 3            | Others                               | 14.80        | 13.25         |
| <b>Total</b> |                                      | <b>69.18</b> | <b>67.48</b>  |

## 2.2.3 Long Term Employee Benefits (Unfunded Obligation)

### 2.2.3.1 Accumulating Compensated Absences (Privilege Leave)

The following table sets out the status of Accumulating Compensated Absences (Privilege Leave) as per Actuarial valuation by independent Actuaries:

(₹ in Crore)

| Particulars                                                                                                    | Accumulating Compensated Absences (Privilege Leave) |                  |
|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|------------------|
|                                                                                                                | Current Year                                        | Previous Year    |
| <b>Change in the present value of the defined benefit obligation</b>                                           |                                                     |                  |
| Opening defined benefit obligation as at 1 <sup>st</sup> April                                                 | <b>11,078.32</b>                                    | <b>10,381.62</b> |
| Current Service Cost                                                                                           | 365.78                                              | 330.20           |
| Interest Cost                                                                                                  | 828.31                                              | 754.41           |
| Liability pertains to outgoing Joint Venture                                                                   | -                                                   | (0.19)           |
| Actuarial losses/(gains)                                                                                       | 2,378.98                                            | 749.41           |
| Benefits paid                                                                                                  | (1,096.60)                                          | (1,137.13)       |
| Closing defined benefit obligation as at 31 <sup>st</sup> March                                                | <b>13,554.79</b>                                    | <b>11,078.32</b> |
| <b>Net Cost recognised in the profit and loss account</b>                                                      |                                                     |                  |
| Current Service Cost                                                                                           | 365.78                                              | 330.20           |
| Interest Cost                                                                                                  | 828.31                                              | 754.41           |
| Actuarial (Gain)/ Losses                                                                                       | 2,378.98                                            | 749.41           |
| <b>Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"</b> | <b>3,573.07</b>                                     | <b>1,834.02</b>  |
| <b>Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet</b>                |                                                     |                  |
| Opening Net Liability as at 1 <sup>st</sup> April                                                              | <b>11,078.32</b>                                    | <b>10,381.62</b> |
| Expense as above                                                                                               | 3,573.07                                            | 1,834.02         |
| Liability pertains to outgoing Joint Venture                                                                   | -                                                   | (0.19)           |
| Employer's Contribution                                                                                        | -                                                   | -                |
| Benefit paid directly by the Employer                                                                          | (1,096.60)                                          | (1,137.13)       |
| <b>Net Liability/(Asset) recognised in the Balance Sheet</b>                                                   | <b>13,554.79</b>                                    | <b>11,078.32</b> |

## Principal actuarial assumptions

| Particulars       | Current Year | Previous Year |
|-------------------|--------------|---------------|
| Discount Rate     | 7.21%        | 7.48%         |
| Salary Escalation | 6.00%        | 6.00%         |
| Attrition Rate    | 2.00%        | 2.00%         |

### **Accumulating Compensated Absences (Privilege Leave) (excluding the entities covered in above table)**

An amount of ₹62.56 Crore (Previous Year ₹45.39 Crore) is provided by the group (excluding the entities covered in above table) towards Privilege Leave (Encashment) including leave encashment at the time of retirement and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

### **2.2.3.2 Other Long Term Employee Benefits**

Amount of ₹198.87 Crore (Previous Year ₹28.68 Crore) is provided by the group towards Other Long Term Employee Benefits viz. Leave Travel and Home Travel Concession (Encashment/Availment), Silver Jubilee/Long Term Service Award, Resettlement Expenses on Superannuation and Retirement Award and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

**2.2.4** The employee benefits listed above are in respect of the employees of the Group based in India. The employees of the foreign operations are not covered in the above schemes.

## **2.3 Accounting Standard- 17 "Segment Reporting"**

### **2.3.1 Segment identification**

#### **A) Primary (Business Segment)**

The following are the Primary Segments of the Group:

- Treasury
- Corporate / Wholesale Banking
- Retail Banking
- Insurance Business
- Other Banking Business

The present accounting and information system of the Group does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the Primary Segments have been computed as under:

- a) Treasury:** The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.
- b) Corporate / Wholesale Banking:** The Corporate / Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices/entities.
- c) Retail Banking:** The Retail Banking Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs.
- d) Insurance Business:** The Insurance Business Segment comprises of the results of SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd.
- e) Other Banking Business:** Segments not classified under (a) to (d) above are classified under this primary segment. This segment also includes the operations of all the Non-Banking Subsidiaries/Joint Ventures other than SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd. of the group.

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## **B) Secondary (Geographical Segment):**

- a) Domestic Operations:** Branches, Subsidiaries and Joint Ventures having operations in India.
- b) Foreign Operations:** Branches, Subsidiaries and Joint Ventures having operations outside India and offshore banking units having operations in India.

## **C) Pricing of Inter-segmental Transfers**

The Retail Banking segment is the primary resource mobilising unit. The Corporate/Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

## **D) Allocation of Revenue, Expenses, Assets and Liabilities**

Expenses of parent incurred at Corporate Centre establishments directly attributable either to Corporate / Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

The Group has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

### 2.3.2 SEGMENT INFORMATION

#### PART A: PRIMARY (BUSINESS) SEGMENTS:

|                                                                              |                |                                     |                    |                         |                |                       |                                | (₹ in Crore)          |
|------------------------------------------------------------------------------|----------------|-------------------------------------|--------------------|-------------------------|----------------|-----------------------|--------------------------------|-----------------------|
| Business Segment                                                             | Treasury       | Corporate /<br>Wholesale<br>Banking | Retail Banking     |                         | Total          | Insurance<br>Business | Other<br>Banking<br>Operations | TOTAL                 |
|                                                                              |                |                                     | Digital<br>Banking | Other Retail<br>Banking |                |                       |                                |                       |
| Revenue (before exceptional item)                                            | 1,24,225.02    | 1,32,845.50                         | 5,244.90           | 2,04,491.84             | 2,09,736.74    | 1,05,459.40           | 27,616.02                      | 5,99,882.68           |
|                                                                              | (1,01,804.55)  | (1,00,160.24)                       | (3,766.65)         | (1,63,755.15)           | (1,67,521.80)  | (86,451.82)           | (21,144.92)                    | (4,77,083.33)         |
| Unallocated Revenue                                                          |                |                                     |                    |                         |                |                       |                                | 2,261.66              |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (1,861.43)            |
| Less : Inter Segment Revenue                                                 |                |                                     |                    |                         |                |                       |                                | 7,569.44              |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (5,566.62)            |
| <b>Total Revenue</b>                                                         |                |                                     |                    |                         |                |                       |                                | <b>5,94,574.90</b>    |
|                                                                              |                |                                     |                    |                         |                |                       |                                | <b>(4,73,378.14)</b>  |
| Result (before exceptional items)                                            | 14,244.56      | 40,797.94                           | 7,796.87           | 32,143.29               | 39,940.16      | 2,404.12              | 8,161.49                       | 1,05,548.27           |
|                                                                              | (8,986.94)     | (29,488.58)                         | (5,130.15)         | (28,399.64)             | (33,529.79)    | (2,144.03)            | (5,683.39)                     | (79,832.73)           |
| Less : Exceptional items                                                     |                |                                     |                    |                         |                |                       |                                | 7,100.00              |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (0.00)                |
| Result (after exceptional items)                                             |                |                                     |                    |                         |                |                       |                                | 98,448.27             |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (79,832.73)           |
| Unallocated Income(+)/ Expenses(-) net                                       |                |                                     |                    |                         |                |                       |                                | -7,208.23             |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (-4,434.17)           |
| Profit/(Loss) Before Tax                                                     |                |                                     |                    |                         |                |                       |                                | 91,240.04             |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (75,398.56)           |
| Taxes                                                                        |                |                                     |                    |                         |                |                       |                                | 23,101.78             |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (18,840.13)           |
| Extraordinary Profit                                                         |                |                                     |                    |                         |                |                       |                                | 0.00                  |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (0.00)                |
| Net Profit/(Loss) before share in profit in Associates and Minority Interest |                |                                     |                    |                         |                |                       |                                | 68,138.26             |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (56,558.43)           |
| Add: Share in Profit in Associates                                           |                |                                     |                    |                         |                |                       |                                | 1,405.16              |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (1,191.45)            |
| Less: Minority Interest                                                      |                |                                     |                    |                         |                |                       |                                | 2,458.75              |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (2,101.71)            |
| Net Profit/(Loss) for the Group                                              |                |                                     |                    |                         |                |                       |                                | 67,084.67             |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (55,648.17)           |
| <b>Other Information:</b>                                                    |                |                                     |                    |                         |                |                       |                                |                       |
| Segment Assets                                                               | 18,05,145.08   | 17,37,823.44                        | 75,117.91          | 25,38,954.68            | 26,14,072.59   | 4,17,545.67           | 99,852.13                      | 66,74,438.91          |
|                                                                              | (16,68,038.09) | (15,16,712.53)                      | (53,547.82)        | (22,63,602.63)          | (23,17,150.45) | (3,28,479.47)         | (75,611.18)                    | (59,05,991.72)        |
| Unallocated Assets                                                           |                |                                     |                    |                         |                |                       |                                | 59,339.89             |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (48,426.60)           |
| <b>Total Assets</b>                                                          |                |                                     |                    |                         |                |                       |                                | <b>67,33,778.80</b>   |
|                                                                              |                |                                     |                    |                         |                |                       |                                | <b>(59,54,418.32)</b> |
| Segment Liabilities                                                          | 15,97,152.27   | 16,56,663.36                        | 6,95,316.15        | 16,90,063.26            | 23,85,379.41   | 3,98,131.10           | 73,759.55                      | 61,11,085.69          |
|                                                                              | (15,04,440.73) | (14,82,813.40)                      | (4,90,828.11)      | (15,82,465.81)          | (20,73,293.92) | (3,12,350.22)         | (54,507.60)                    | (54,27,405.87)        |
| Unallocated Liabilities                                                      |                |                                     |                    |                         |                |                       |                                | 2,07,753.94           |
|                                                                              |                |                                     |                    |                         |                |                       |                                | (1,68,081.13)         |
| <b>Total Liabilities</b>                                                     |                |                                     |                    |                         |                |                       |                                | <b>63,18,839.63</b>   |
|                                                                              |                |                                     |                    |                         |                |                       |                                | <b>(55,95,487.00)</b> |

(i) Income/Expenses are for the whole year. Assets/Liabilities are as at 31<sup>st</sup> March 2024.

(ii) Figures within brackets are for previous year.

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## PART B: SECONDARY (GEOGRAPHIC) SEGMENTS

(₹ in Crore)

|                                      | Domestic     |               | Foreign      |               | Total        |               |
|--------------------------------------|--------------|---------------|--------------|---------------|--------------|---------------|
|                                      | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Revenue (before exceptional items) # | 5,49,738.03  | 4,49,068.78   | 44,836.87    | 24,309.36     | 5,94,574.90  | 4,73,378.14   |
| Net Profit#                          | 53,693.65    | 48,467.92     | 13,391.02    | 7,180.25      | 67,084.67    | 55,648.17     |
| Assets *                             | 59,93,897.80 | 52,80,381.11  | 7,39,881.00  | 6,74,037.21   | 67,33,778.80 | 59,54,418.32  |
| Liabilities *                        | 55,89,635.44 | 49,31,129.80  | 7,29,204.19  | 6,64,357.20   | 63,18,839.63 | 55,95,487.00  |

# For the year ended 31<sup>st</sup> March 2024.

\* As at 31<sup>st</sup> March, 2024.

As per RBI Circular DOR. AUT.REC.12/22.01.001/2022-23 dated 7<sup>th</sup> April 2022, for the purpose of disclosure under Accounting Standard 17 - Segment Reporting "Digital Banking" has been identified as a sub-segment under the "Retail Banking Segment".

## 2.4 Accounting Standard-18 "Related Party Disclosures":

### 2.4.1 Related Parties to the Group:

#### A) JOINT VENTURES:

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

#### B) ASSOCIATES:

##### i) Regional Rural Banks

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

**ii) Others**

1. The Clearing Corporation of India Ltd.
2. Bank of Bhutan Ltd.
3. Yes Bank Ltd.
4. Investec Capital Services (India) Private Limited
5. Jio Payments Bank Limited
6. SBI Home Finance Ltd. (under liquidation)

**C) Key Management Personnel of SBI:**

1. Shri Dinesh Kumar Khara, Chairman
2. Shri Challa Sreenivasulu Setty, Managing Director
3. Shri Swaminathan Janakiraman, Managing Director (upto 25.06.2023)
4. Shri Ashwini Kumar Tewari, Managing Director
5. Shri Alok Kumar Choudhary, Managing Director
6. Shri Vinay M. Tonse, Managing Director (w.e.f. 21.11.2023)

**2.4.2 Related Parties with whom transactions were entered into during the year:**

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

**2.4.3 Transactions and Balances:**

| (₹ in Crore)                                          |                                   |                                                     |          |                                   |                                                     |           |
|-------------------------------------------------------|-----------------------------------|-----------------------------------------------------|----------|-----------------------------------|-----------------------------------------------------|-----------|
| Particulars                                           | Associates/<br>Joint Ventures     | Key<br>Management<br>Personnel &<br>their relatives | Total    | Associates/<br>Joint Ventures     | Key<br>Management<br>Personnel &<br>their relatives | Total     |
| <b>Outstanding as at</b>                              | <b>31<sup>st</sup> March 2024</b> |                                                     |          | <b>31<sup>st</sup> March 2023</b> |                                                     |           |
| Borrowings                                            | 408.64                            | -                                                   | 408.64   | -                                 | -                                                   | -         |
| Deposit                                               | 1,938.05                          | -                                                   | 1,938.05 | 4,943.47                          | -                                                   | 4,943.47  |
| Other Liabilities                                     | 77.09                             | -                                                   | 77.09    | 68.52                             | -                                                   | 68.52     |
| Balance with Banks and Money at call and short notice | 4.82                              | -                                                   | 4.82     | 0.25                              | -                                                   | 0.25      |
| Advance                                               | 1,868.59                          | -                                                   | 1,868.59 | 1,007.14                          | -                                                   | 1,007.14  |
| Investment                                            | 8,032.79                          | -                                                   | 8,032.79 | 8,032.79                          | -                                                   | 8,032.79  |
| Other Assets                                          | 465.66                            | -                                                   | 465.66   | 271.97                            | -                                                   | 271.97    |
| Non-fund commitments (LCs/BGs)                        | 96.23                             | -                                                   | 96.23    | 22.53                             | -                                                   | 22.53     |
| <b>Maximum outstanding</b>                            | <b>During FY 2023-24</b>          |                                                     |          | <b>During FY 2022-23</b>          |                                                     |           |
| Borrowings                                            | 1,518.00                          | -                                                   | 1,518.00 | -                                 | -                                                   | -         |
| Deposit                                               | 6,410.68                          | -                                                   | 6,410.68 | 5,271.03                          | -                                                   | 5,271.03  |
| Other Liabilities                                     | 104.62                            | -                                                   | 104.62   | 68.56                             | -                                                   | 68.56     |
| Balance with Banks and Money at call and short notice | 709.14                            | -                                                   | 709.14   | 2.72                              | -                                                   | 2.72      |
| Advance                                               | 2,204.87                          | -                                                   | 2,204.87 | 1,152.51                          | -                                                   | 1,152.51  |
| Investment                                            | 8,233.17                          | -                                                   | 8,233.17 | 11,063.92                         | -                                                   | 11,063.92 |
| Other Assets                                          | 513.25                            | -                                                   | 513.25   | 527.57                            | -                                                   | 527.57    |
| Non-fund commitments (LCs/BGs)                        | 96.23                             | -                                                   | 96.23    | 22.53                             | -                                                   | 22.53     |

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forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

| (₹ in Crore)                                            |                               |                                                     |        |                               |                                                     |        |
|---------------------------------------------------------|-------------------------------|-----------------------------------------------------|--------|-------------------------------|-----------------------------------------------------|--------|
| Particulars                                             | Associates/<br>Joint Ventures | Key<br>Management<br>Personnel &<br>their relatives | Total  | Associates/<br>Joint Ventures | Key<br>Management<br>Personnel &<br>their relatives | Total  |
| <b>During the year</b>                                  | <b>During FY 2023-24</b>      |                                                     |        | <b>During FY 2022-23</b>      |                                                     |        |
| Interest Income                                         | 143.15                        | -                                                   | 143.15 | 116.66                        | -                                                   | 116.66 |
| Interest expenditure                                    | 148.14                        | -                                                   | 148.14 | 80.69                         | -                                                   | 80.69  |
| Income earned by way of dividend                        | 26.89                         | -                                                   | 26.89  | 21.37                         | -                                                   | 21.37  |
| Other Income                                            | 3.66                          | -                                                   | 3.66   | 3.80                          | -                                                   | 3.80   |
| Other expenditure                                       | 71.18                         | -                                                   | 71.18  | 30.97                         | -                                                   | 30.97  |
| Profit/(loss) on sale of land/building and other assets | (1.92)                        | -                                                   | (1.92) | 0.91                          | -                                                   | 0.91   |
| Management contracts                                    | -                             | 2.21                                                | 2.21   | -                             | 2.21                                                | 2.21   |

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

## 2.5 Accounting Standard-19 "Leases":

### 2.5.1 Finance Leases

Assets taken on Financial Leases on or after 1<sup>st</sup> April 2001:

The details of financial leases are given below:

| (₹ in Crore)                                           |                                      |                                      |
|--------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                            | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| <b>Total Minimum lease payments outstanding</b>        |                                      |                                      |
| Less than 1 year                                       | 75.86                                | 75.21                                |
| 1 to 5 years                                           | 210.69                               | 233.10                               |
| 5 years and above                                      | 93.71                                | 49.63                                |
| <b>Total</b>                                           | <b>380.26</b>                        | <b>357.94</b>                        |
| <b>Interest Cost payable</b>                           |                                      |                                      |
| Less than 1 year                                       | 21.35                                | 21.95                                |
| 1 to 5 years                                           | 27.76                                | 38.63                                |
| 5 years and above                                      | 2.75                                 | 7.97                                 |
| <b>Total</b>                                           | <b>51.86</b>                         | <b>68.55</b>                         |
| <b>Present value of minimum lease payments payable</b> |                                      |                                      |
| Less than 1 year                                       | 54.51                                | 53.26                                |
| 1 to 5 years                                           | 182.93                               | 194.47                               |
| 5 years and above                                      | 90.96                                | 41.66                                |
| <b>Total</b>                                           | <b>328.40</b>                        | <b>289.39</b>                        |



### 2.5.2 Operating Lease

#### Premises taken on operating lease are given below:

Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the group entities.

#### Liability for Premises taken on Non-Cancellable operating lease are given below:

| Particulars                                  | (₹ in Crore)                         |                                      |
|----------------------------------------------|--------------------------------------|--------------------------------------|
|                                              | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| Not later than 1 year                        | 153.12                               | 126.19                               |
| Later than 1 year and not later than 5 years | 287.42                               | 272.86                               |
| Later than 5 years                           | 126.76                               | 163.27                               |
| <b>Total</b>                                 | <b>567.30</b>                        | <b>562.32</b>                        |

Amount of lease payments recognised in the Profit & Loss Account for the year is ₹4,720.64 Crore (Previous Year ₹4,376.74 Crore).

### 2.6 Accounting Standard-20 "Earnings per Share":

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - "Earnings per Share". "Basic earnings" per share is computed by dividing consolidated net profit/ (loss) after tax (other than minority) by the weighted average number of equity shares outstanding during the year.

| Particulars                                                                         | Current Year  | Previous Year |
|-------------------------------------------------------------------------------------|---------------|---------------|
| <b>Basic and diluted</b>                                                            |               |               |
| Number of Equity Shares outstanding at the beginning of the year                    | 892,46,11,934 | 892,46,11,534 |
| Number of Equity Shares issued during the year                                      | -             | 400           |
| Number of Equity Shares outstanding at the end of the year                          | 892,46,11,934 | 892,46,11,934 |
| Weighted average number of equity shares used in computing basic earnings per share | 892,46,11,934 | 892,46,11,707 |
| Weighted average number of shares used in computing diluted earnings per share      | 892,46,11,934 | 892,46,11,707 |
| Net Profit/(Loss) for the Group (₹ in Crore)                                        | 67,084.67     | 55,648.17     |
| Basic earnings per share (₹)                                                        | 75.17         | 62.35         |
| Diluted earnings per share (₹)                                                      | 75.17         | 62.35         |
| Nominal value per share (₹)                                                         | 1.00          | 1.00          |

### 2.7 Accounting Standard-22 "Accounting for Taxes on Income":

- During the year, ₹2,269.31 Crore has been credited to Profit and Loss Account (Previous Year ₹4,342.79 Crore) on account of deferred tax.
- The breakup of deferred tax assets and liabilities into major items is given below:

| Particulars                                 | (₹ in Crore)                         |                                      |
|---------------------------------------------|--------------------------------------|--------------------------------------|
|                                             | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| <b>Deferred Tax Assets (DTA)</b>            |                                      |                                      |
| Provision for long term employee Benefits   | 13,707.66                            | 9,166.98                             |
| Provision for advances                      | 6,247.29                             | 6,484.72                             |
| Provision for Other Assets/ Other Liability | 3,033.08                             | 3,736.75                             |
| On Accumulated Losses                       | 30.32                                | 48.47                                |
| On Foreign Currency Translation Reserve     | 1,101.26                             | 1,686.01                             |
| Depreciation on Fixed Assets                | 456.74                               | 394.58                               |
| DTAs on account of FOs of SBI               | 432.86                               | 476.14                               |
| Others                                      | 261.70                               | 259.90                               |
| <b>Total</b>                                | <b>25,270.91</b>                     | <b>22,253.55</b>                     |

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| (₹ in Crore)                                                   |                                      |                                      |
|----------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                    | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| <b>Deferred Tax Liabilities (DTL)</b>                          |                                      |                                      |
| Depreciation on Fixed Assets                                   | 38.68                                | 43.77                                |
| Interest accrued but not due on securities                     | 7,191.40                             | 6,599.00                             |
| Special Reserve created u/s 36(1)(viii) of Income Tax Act 1961 | 4,914.57                             | 4,467.14                             |
| DTLs on account of FOs of SBI                                  | 7.60                                 | 0.01                                 |
| ICDS – Interest on Income Tax Refund accrued and not received  | 990.32                               | -                                    |
| Others                                                         | 10.85                                | 11.05                                |
| <b>Total</b>                                                   | <b>13,153.42</b>                     | <b>11,120.97</b>                     |
| <b>Net Deferred Tax Assets/(Liabilities)</b>                   | <b>12,117.49</b>                     | <b>11,132.58</b>                     |

- iii) SBI had exercised the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 from the financial year 2019-20 onwards.

## 2.8 Accounting Standard-28 “Impairment of assets”:

In the opinion of the Management, there is no impairment to the non-monetary assets during the year.

## 2.9 Accounting Standard – 29 “Provisions, Contingent Liabilities and Contingent Assets” :

### ➤ Provisions and contingencies recognised in Profit and Loss Account:

The breakup of provisions is given in the table below :

| (₹ in Crore) |                                                                                                    |                  |                  |
|--------------|----------------------------------------------------------------------------------------------------|------------------|------------------|
| Sr No.       | Break up of “Provisions and Contingencies” shown under head Expenditure in Profit and loss account | Current Year     | Previous Year    |
| a            | Provision for Taxation                                                                             |                  |                  |
|              | - Current Tax                                                                                      | 25,361.28        | 23,182.65        |
|              | - Deferred Tax Asset created                                                                       | (2,269.31)       | (4,342.79)       |
|              | - (Write Back)/Additional Provision of Income Tax                                                  | 9.81             | 0.27             |
| b            | Provision on Non-Performing Assets                                                                 | 12,193.57        | 10,873.29        |
| c            | Provision on Restructured Assets                                                                   | 48.30            | (46.41)          |
| d            | Provision on Standard Assets                                                                       | (1,264.48)       | 5,641.50         |
| e            | Provision for Depreciation on Investments                                                          | (604.11)         | 1,483.88         |
| f            | Other Provisions                                                                                   | (2,668.31)       | 232.02           |
|              | <b>Total</b>                                                                                       | <b>30,806.75</b> | <b>37,024.41</b> |

(Figures in brackets indicate credit)

### ➤ Floating provisions:

| (₹ in Crore) |                           |               |               |
|--------------|---------------------------|---------------|---------------|
| Sr No.       | Particulars               | Current Year  | Previous Year |
| a            | Opening Balance           | 193.75        | 193.75        |
| b            | Addition during the year  | -             | -             |
| c            | Draw down during the year | -             | -             |
| d            | <b>Closing balance</b>    | <b>193.75</b> | <b>193.75</b> |

➤ **Description of contingent liabilities (AS-29):**

| Sr. No | Particulars                                                                                 | Brief Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1      | Claims against the Group not acknowledged as debts                                          | The Group is a party to various proceedings in the normal course of business. It does not expect the outcome of these proceedings to have a material adverse effect on the Group's financial conditions, results of operations or cash flows. The Group is also a party to various taxation matters in respect of which appeals are pending.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 2      | Liability on partly paid-up investments/ Venture Funds                                      | This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 3      | Liability on account of outstanding forward exchange contracts                              | The Group enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as contingent liabilities. With respect to the transactions entered into with its customers, the Group generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.                                                                                                                                                                                                                                             |
| 4      | Guarantees given on behalf of constituents, acceptances, endorsements and other obligations | As a part of its commercial banking activities, the Group issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Group. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 5      | Other items for which the Group is contingently liable                                      | The Group enters into currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by SBI on behalf of Associates & Subsidiaries, SBI's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities. |

The contingent liabilities mentioned above are dependent upon the outcome of court/arbitration/out of court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be.

➤ **Movement of provisions against contingent liabilities:**

**The movement of provisions against contingent liabilities given in the table below:**

|        |                                        |              | (₹ in Crore)  |
|--------|----------------------------------------|--------------|---------------|
| Sr No. | Particulars                            | Current Year | Previous Year |
| a      | Opening Balance                        | 3,115.33     | 3,669.17      |
| b      | Additions during the year              | 138.63       | 143.99        |
| c      | Amount utilised during the year        | 534.19       | 86.65         |
| d      | Unused amount reversed during the year | 99.38        | 611.18        |
| e      | Closing balance                        | 2,620.39     | 3,115.33      |

- Inter-Bank/ Company balances between group entities are being reconciled on an ongoing basis and there is no material effect on the profit and loss account of the current year.
- No disclosure on divergence in asset classification and provisioning for NPAs is required by SBI with respect to RBI's supervisory process for the year ended 31<sup>st</sup> March 2023, based on the conditions mentioned in RBI Circular No. DOR.ACC.REC. No.74/21.04.018/2022-23 dated 11<sup>th</sup> October 2022.

# Schedules

forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> March 2024

## 5. Provision for Wage Revision

SBI has made a total provision of ₹15,877.09 Crore towards arrears of wages due for revision w.e.f. 1<sup>st</sup> November 2022. On signing of the 12<sup>th</sup> Bi-partite wage settlement and 9<sup>th</sup> Joint Note on 8<sup>th</sup> March 2024, the salary was revised during the month of March 2024 and accordingly provision of ₹14,134.86 Crore was utilised. The balance of ₹1,742.23 Crore is yet to be disbursed towards residual salary revision and ex-gratia for pensioners/family pensioners.

## 6. Exceptional Items

During the year ended 31<sup>st</sup> March 2024 SBI has recognised following as exceptional items:

- Provision of ₹5,400 Crore for estimated liability on account of pension at uniform rate of 50% for all pensioners prospectively, in place of existing dual rate of calculation of pension.
  - Provision of ₹1,700 Crore on account of ex-gratia benefit and neutralisation of Dearness Relief to pre-November 2002 retirees and family pensioners.
7. In SBI Life Insurance Company Ltd. and SBI General Insurance Company Ltd., the actuarial valuation of liabilities in respect of life insurance policies in force, life insurance policies in respect of which premium has been discontinued but liability exists as on 31<sup>st</sup> March 2024, Claims Incurred But Not Reported (IBNR), Claims Incurred But Not Enough Reported (IBNER) and Premium Deficiency Reserve (PDR) are determined by the Appointed Actuary based on guidelines and norms issued by the Insurance Regulatory Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with the IRDAI.
8. The investments of life and general insurance subsidiaries have been accounted for in accordance with the IRDAI guidelines instead of restating the same in accordance with the accounting policy followed by SBI. The investments of insurance subsidiaries constitute approximately 18.90% (Previous Year 16.39%) of the total investments as on 31<sup>st</sup> March 2024.
9. The Central Board of SBI has declared a dividend of ₹13.70 per share @ 1370% for the year ended 31<sup>st</sup> March 2024.
10. In accordance with RBI Circular DBOD NO.BP.BC.42/21.01.02/2007-08, redeemable preference shares (if any) are treated as liabilities and the coupon payable thereon is treated as interest.
11. In accordance with current RBI guidelines, the general clarification issued by ICAI has been considered in the preparation of the consolidated financial statements. Accordingly, additional statutory information disclosed in separate financial statements of the parent and its subsidiaries having no bearing on the true and fair view of the consolidated financial statements and also the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements in view of the Accounting Standard Interpretation issued by ICAI.
12. Previous year figures have been regrouped/reclassified, wherever necessary, to conform to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines/Accounting Standards, previous year's figures have not been mentioned.

**Shri Vinay M. Tonse**  
Managing Director  
(Retail Business & Operations)

**Shri Alok Kumar Choudhary**  
Managing Director  
(Risk, Compliance & SARG)

**Shri Ashwini Kumar Tewari**  
Managing Director  
(Corporate Banking & Subsidiaries)

**Shri Challa Sreenivasulu Setty**  
Managing Director  
(International Banking,  
Global Markets & Technology)

In terms of our report of even date  
**For K C Mehta & Co LLP**  
Chartered Accountants  
Firm Regn. No. 106237W/W100829

**Shri Dinesh Kumar Khara**  
Chairman

**CA Chirag Bakshi**  
Partner  
Membership No. 047164

**Place: Mumbai**  
**Date: 9<sup>th</sup> May 2024**

# State Bank of India

Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2024

| (000s omitted)                                                                                          |                               |                               |
|---------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| PARTICULARS                                                                                             | Year ended<br>31.03.2024<br>₹ | Year ended<br>31.03.2023<br>₹ |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                                              |                               |                               |
| Net Profit/(Loss) before taxes (including share in profit from associates and net of minority interest) | 90186,44,73                   | 74488,30,41                   |
| <b>Adjustments for:</b>                                                                                 |                               |                               |
| Depreciation on Fixed Assets                                                                            | 3849,12,45                    | 3695,59,86                    |
| (Profit)/Loss on sale of Fixed Assets (Net)                                                             | 25,20,54                      | 29,03,16                      |
| (Profit)/Loss on revaluation of Investments (Net)                                                       | (4892,78,72)                  | 4922,60,98                    |
| (Profit) on sale of Investments in Subsidiaries/Joint Ventures/ Associates                              | -                             | -                             |
| Loss on sale of Investments in Subsidiaries/Joint Ventures/ Associates                                  | -                             | -                             |
| Provision for diminution in fair value & Non Performing Assets                                          | 12241,86,70                   | 10826,88,16                   |
| Provision on Standard Assets                                                                            | (1264,47,25)                  | 5641,50,51                    |
| Provision on non-performing Investments                                                                 | (604,11,07)                   | 1483,87,59                    |
| Other Provisions including provision for contingencies                                                  | (2668,30,83)                  | 232,01,48                     |
| Share in Profit of Associates                                                                           | (1405,15,43)                  | (1191,45,21)                  |
| Dividend from Associates                                                                                | (5,57,19)                     | (2,66,25)                     |
| Interest charged on Capital Instruments                                                                 | 9661,52,37                    | 6543,73,06                    |
|                                                                                                         | <b>105123,76,30</b>           | <b>106669,43,75</b>           |
| <b>Adjustments for:</b>                                                                                 |                               |                               |
| Increase/(Decrease) in Deposits                                                                         | 498001,98,04                  | 381124,90,62                  |
| Increase/(Decrease) in Borrowings other than Capital Instruments                                        | 112581,10,52                  | 54584,07,36                   |
| (Increase)/Decrease in Investments other than Investment in Subsidiaries / Joint Ventures / Associates  | (190457,10,79)                | (141597,38,45)                |
| (Increase)/Decrease in Advances                                                                         | (528612,41,02)                | (484653,00,71)                |
| Increase/(Decrease) in Other Liabilities                                                                | 102500,27,51                  | 75713,73,97                   |
| (Increase)/Decrease in Other Assets                                                                     | (46236,90,64)                 | (60531,72,28)                 |
|                                                                                                         | <b>52900,69,92</b>            | <b>(68689,95,74)</b>          |
| Tax refund / (Taxes paid)                                                                               | (31268,26,82)                 | (17323,72,22)                 |
| <b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)</b>                                     | <b>21632,43,10</b>            | <b>(86013,67,96)</b>          |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                                              |                               |                               |
| Purchase of Shares in Subsidiaries/Joint Ventures/Associates                                            | (82,16,10)                    | -                             |
| Sale of Shares in Subsidiaries/Joint Ventures/Associates                                                | -                             | -                             |
| Dividend from Associates                                                                                | 5,57,19                       | 2,66,25                       |
| (Increase)/decrease in Fixed Assets                                                                     | (4175,12,62)                  | (4043,63,15)                  |
| <b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)</b>                                     | <b>(4251,71,53)</b>           | <b>(4040,96,90)</b>           |

# State Bank of India

Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2024

(000s omitted)

| PARTICULARS                                                                                | Year ended<br>31.03.2024<br>₹ | Year ended<br>31.03.2023<br>₹ |
|--------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                                 |                               |                               |
| Proceeds from issue of Equity shares including share premium (Net of share issue expenses) | -                             | 64                            |
| Issue of Capital Instruments                                                               | 20164,64,79                   | 19533,09,26                   |
| Redemption of Capital Instruments                                                          | (14288,20,00)                 | (2125,00,00)                  |
| Interest paid on Capital Instruments                                                       | (8589,25,32)                  | (6324,62,56)                  |
| Dividend paid                                                                              | (10084,81,15)                 | (6336,72,16)                  |
| Dividend tax paid by Subsidiaries/Joint Ventures                                           | (12,40,81)                    | (1,22,83)                     |
| Increase/(Decrease) in Minority Interest                                                   | 2913,74,49                    | 1640,85,85                    |
| <b>NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)</b>                        | <b>(9896,28,00)</b>           | <b>6386,38,20</b>             |
| <b>EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE (D)</b>                           | <b>775,95,81</b>              | <b>3075,05,46</b>             |
| <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>                    | <b>8260,39,38</b>             | <b>(80593,21,20)</b>          |
| <b>CASH AND CASH EQUIVALENTS AS AT 1<sup>ST</sup> APRIL</b>                                | <b>318311,90,97</b>           | <b>398905,12,17</b>           |
| <b>CASH AND CASH EQUIVALENTS AS AT 31<sup>ST</sup> MARCH</b>                               | <b>326572,30,35</b>           | <b>318311,90,97</b>           |
| <b>Notes:</b>                                                                              |                               |                               |
| <b>1 Components of Cash &amp; Cash Equivalents as at:</b>                                  | <b>31.03.2024</b>             | <b>31.03.2023</b>             |
| Cash & Balances with Reserve Bank of India                                                 | 225356,33,61                  | 247321,04,97                  |
| Balances with Banks and money at call & short notice                                       | 101215,96,74                  | 70990,86,00                   |
| <b>Total</b>                                                                               | <b>326572,30,35</b>           | <b>318311,90,97</b>           |

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

**Shri Vinay M. Tonse**  
Managing Director  
(Retail Business & Operations)

**Shri Alok Kumar Choudhary**  
Managing Director  
(Risk, Compliance & SARG)

**Shri Ashwini Kumar Tewari**  
Managing Director  
(Corporate Banking & Subsidiaries)

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Managing Director  
(International Banking,  
Global Markets & Technology)

In terms of our report of even date  
**For K C Mehta & Co LLP**  
Chartered Accountants  
Firm Regn. No. 106237W/W100829

**Shri Dinesh Kumar Khara**  
Chairman

**CA Chirag Bakshi**  
Partner  
Membership No. 047164

Place: Mumbai  
Date: 9<sup>th</sup> May 2024

# Independent Auditors' Report

To,  
**The Board of Directors,**  
**State Bank of India,**  
State Bank Bhavan,  
Madam Cama Road,  
Mumbai.

## Report on Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying Consolidated Financial Statements of State Bank of India ("the Bank") which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Profit and Loss Account and the Statement of Consolidated Cash Flow for the year then ended, and Notes to Consolidated Financial Statements including a summary of Significant Accounting Policies and other explanatory information which includes:
  - a) Audited Standalone Financial Statements of the Bank which have been Audited by all the twelve Statutory Central Auditors including us;
  - b) Audited Financial Statements of 25 Subsidiaries, 7 Jointly Controlled Entities and 18 Associates (including 14 Regional Rural Banks) audited by other Auditors; and (listed in Annexure A)
  - c) Un-audited Financial Statements of 1 Subsidiary and 1 Associate (listed in Annexure A).

The above entities together with the Bank are referred to as the 'Group'.

In our opinion and to the best of our information and according to the explanations given to us, and based on our consideration of the reports of other auditors on separate financial statements of subsidiaries, jointly controlled entities and associates, the unaudited financial statements and the other financial information of subsidiaries as furnished

by the management, the aforesaid Consolidated Financial Statements are in conformity with accounting principles generally accepted in India and give:

- a) true and fair view in case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at March 31, 2024;
- b) true balance of profit in case of Consolidated Profit & Loss Account for the year ended on that date; and
- c) true and fair view in case of Consolidated Cash Flow Statement for the year ended on that date.

### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the code of ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Consolidated Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

3. Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters of the Bank to be communicated in our report:

# Independent Auditors' Report

| Sr. No.                                                                           | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <b>Key Audit matters reported in standalone financial statements of the Bank:</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| i                                                                                 | <p>Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances (Refer Schedule 9 read with Note 3 of Schedule 17 to the financial statements)</p> <p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances.</p> <p>Advances constitute 59.94% of the Bank's total assets. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non-performing Advances (NPA) except in case of foreign offices, classification of advances and provisioning thereof is made as per local regulations or RBI guidelines, whichever is more stringent. The Bank classifies these Advances based on IRAC norms as per its accounting policy No. 3.</p> <p>Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which identifies whether the advances are performing or non-performing.</p> <p>Further, NPA classification and calculation of provision (except in case of foreign offices) is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application Software and other processes.</p> <p>The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed.</p> <p>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgement involved in valuation of securities and calculation of provisions, it is a matter of high importance for the intended users of the Standalone Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.</p> | <p>Our audit approach towards advances with reference to the IRAC norms and other related circulars/directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of controls on sample basis,</p> <ol style="list-style-type: none"> <li>The accuracy of the data input in the system for income recognition, classification into performing and non-performing Advances and provisioning in accordance with the IRAC norms in respect of the branches audited by us;</li> <li>Existence and effectiveness of monitoring mechanisms such as Internal Audit, Systems Audit, Credit Audit and Concurrent Audit as per the policies and procedures of the Bank;</li> <li>Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines/ Judicial pronouncements;</li> <li>We have relied on the reports of IT System Audit by IAD with respect to the business logics / parameters inbuilt in CBS and CCDP for tracking, identification and stamping of NPAs and provisioning in respect thereof.</li> <li>We tested the mapping of advances in the CCDP application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.</li> <li>We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection.</li> <li>In carrying out substantive procedures at the branches audited by us, we have examined large advances/ stressed advances while other advances have been examined on a sample basis including review of valuation reports of independent valuers provided by the Bank's management.</li> <li>We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision;</li> <li>Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication.</li> <li>Bank has laid down detailed Standard Operating Procedure to ensure control over processes. We have relied on these Standard Operating Procedures and have conducted our testing based on these Standard Operating Procedures.</li> </ol> |



| Sr. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| ii      | <p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements)</p> <p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities.</p> <p>Investments constitute 27.05% of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against.</p> <p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FIMMDA rates, rates quoted on BSE/ NSE, financial statements of unlisted companies etc. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of non performing investments and provisioning related to investments.</p> | <p>Our audit approach towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non performing investments (NPIs), provisioning/depreciation related to Investments. In particular ;</p> <ol style="list-style-type: none"> <li>We understood and evaluated the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, provisioning/ depreciation related to investments;</li> <li>We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;</li> <li>For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample;</li> <li>We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;</li> <li>We carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs;</li> <li>We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.</li> </ol> |

# Independent Auditors' Report

| Sr. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| iii     | <p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 18.13 of Schedule 18 to the financial statements) :</p> <p>There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.</p>                                                                                                                                                                                           | <p>Our audit approach involved:</p> <ol style="list-style-type: none"> <li>Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances;</li> <li>Understanding the current status of the litigations/tax assessments including the status up to the date of auditor's report;</li> <li>Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;</li> <li>Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of our internal tax experts;</li> <li>Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and</li> <li>Verification of disclosures related to significant litigations and taxation matters.</li> </ol> |
| iv      | <p>Valuation of employees' defined benefit obligations:</p> <p>The Bank has recognised long-term defined benefit obligations for its employees on actuarial basis. Pension and gratuity obligations are funded by the Bank. Shortfall, if any, in Bank's Provident Fund Scheme is also provided for on actuarial basis. The Bank makes periodic contributions to fund administered by Trustees based on an independent external actuarial valuation carried out annually. Unfunded long-term defined benefit obligations are compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The cost of providing unfunded long-term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date.</p> <p>The actuarial valuations of employee benefit obligations are dependent on market conditions and assumptions made. The key audit matter specifically relates to the following key assumptions: discount rate, inflation expectations and life expectancy assumptions. The setting of these assumptions is complex and requires the exercise of significant management judgement with the support of third-party actuary.</p> | <p>We tested governance and controls in place over the methodologies and the significant assumptions, including those in relation to the use of management's experts. We examined the reports of external actuarial specialist and reviewed the key actuarial assumptions used, both financial and demographic, and considered the methodology applied to derive these assumptions including review of input data provided for actuarial valuations of employees' defined benefit obligations. Furthermore, we have examined the sensitivity analysis on the key assumptions in valuing the defined benefit obligations. We also evaluated the objectivity and competence of management's expert involved in the valuation of the defined benefit obligation. We assessed the appropriateness of the methodology used, and tested the accuracy of the calculation, to estimate the liability.</p>                                                                                                                                                                                           |

| Sr. No.                                                                                 | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Key Audit Matters as reported by auditors of SBI Life Insurance Company Limited:</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| v                                                                                       | <p>Information Technology systems and controls (IT Controls):</p> <p>All insurance companies are highly dependent on technology due to significant number of transactions that are processed daily. A significant part of the company's financial processes is heavily reliant on IT systems with automated processes and controls over the capturing, valuing and recording of transactions. Thus, there exists a risk that gaps in the IT Control Environment could result in the financial accounting and reporting records being materially misstated.</p> <p>The company uses several systems for its overall financial reporting. We have identified "IT systems and controls" as key audit matters because of significant use of IT system and the scale and complexity of the IT architecture.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>Principal audit procedures:</p> <ul style="list-style-type: none"> <li>• Sample testing of key control over IT systems having impact on financial accounting and reporting.</li> <li>• Assessed the IT system processes for effectiveness of some of the key controls with respect to financial accounting and reporting records by sample testing; and</li> <li>• Our audit approach relies on automated controls and therefore procedures are designed to test control over IT systems, segregation of duties, interface and system application controls over key financial accounting and reporting systems.</li> <li>• Reviewed the report of independent information system auditors which has confirmed the various system control measures adopted by the company.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| vi                                                                                      | <p>Valuation of Investments:</p> <p>The company's investment portfolio consists of Policyholders' investments (traditional and unit linked policy holders) and Shareholders investment.</p> <p>Total investment portfolio of the company (i.e. Asset under management (AUM)) represents 99.02 per cent of the Company's total assets.</p> <p>Investments are made and valued in accordance with Insurance Act, 1938, IRDAI (Investment) Regulations, 2016 ("Investment Regulation"), IRDAI (Preparation of Financial Statement Regulation) 2002 ("Financial Statement Regulations"), Investment Policy of the Company and relevant Indian GAAPs.</p> <p>These valuation methods used multiple observable market inputs, including observable interest rate, index levels, credit spreads, equity prices, counter party credit quality, and corresponding market volatility levels etc.</p> <p>The portfolio of quoted investments is 39.39 per cent of the Company's AUM and the portfolio of investments that are valued primarily using observable inputs is 58.80 per cent of the Company's AUM. We do not consider these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid, quoted investments. However, due to their materiality in the context of the standalone financial statements as a whole, they are considered to be one of the areas which had the significant impact on our overall audit strategy.</p> <p>The portfolio of unquoted investments is 1.22 per cent of the Company's AUM. The valuation of unquoted investment involves judgement depending on the observability of the inputs into the valuation and further judgement in determining the appropriate valuation methodology where external pricing sources are either not readily available or are unreliable.</p> <p>The valuation of these investment was considered to be one of the areas which required significant auditor attention and was one of the matter of most significance in the financial statements due to the materiality of total value of investments to the financial statements.</p> | <p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> <li>• We assessed appropriateness of the pricing methodologies with reference to IRDAI Investment Regulations, Financial Statement Regulations, Company's internal investment and valuation policy.</li> <li>• Assessed the process and tested the operating effectiveness of the key controls, including the Company's review and approval of the estimates and assumptions used for the valuation including key authorisation and data input controls.</li> <li>• Fair value is best evidenced by quoted market prices in an active market. Where quoted market prices are not available, the quoted prices of similar products or valuation models with observable market based inputs are used to estimate fair value. The calculation of estimated fair value is based on market conditions at a specific point in time and may not be reflective of future fair values.</li> <li>• For quoted investments, the valuation was done in accordance with the independent pricing sources / market prices in an active market.</li> <li>• For unquoted investments, we critically evaluated the valuation assessment and resulting conclusions in order to determine the appropriateness of the valuations recorded with reference to the assessment made by the management for such valuation.</li> </ul> |

# Independent Auditors' Report

| Sr. No.                                                                          | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| vii                                                                              | <p>Contingent Liabilities and Litigations:</p> <p>The company has pending litigation matters with various appellate authorities and at different forums. The same involves judgements in accordance with applicable Accounting Standards to determine the final outcome of such open litigation matters.</p> <p>The management with the help of its experts, as needed, have made judgements relating to the likelihood of an obligation arising and whether there is a need to recognise a provision or disclose a contingent liability. We therefore focused on this area as a result of uncertainty and potential material impact.</p> | <p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> <li>• We read the various regulatory correspondences and related documents pertaining to litigation cases and corroborated them with our understanding of legal position as per various statutes.</li> <li>• We obtained legal opinion sought by management from the independent legal counsel including opinion of our own team to review the sustainability of the dispute. We discussed the status and potential exposure in respect of significant litigation with the company's internal legal team and obtaining details regarding the progress of various litigations including management views on the likely outcome of each litigation and the magnitude of potential exposure.</li> <li>• The various litigation matters were reviewed in order to assess the facts and circumstances and to identify the potential exposures and to satisfy ourselves that it is not probable that an outflow of economic benefits will be required, or in certain cases where the amount cannot be estimated reliably, such obligation is disclosed by the company as a contingent liability.</li> </ul> |
| <b>Key Audit Matters as reported by auditors of SBI Capital Markets Limited:</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| viii                                                                             | <p>Evaluation of uncertain tax positions:</p> <p>The company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p>                                                                                                                                                                                                                                                                                                                                                                                                           | <p>Principal Audit Procedures:</p> <p>We evaluated the Company's processes and controls for monitoring the tax disputes.</p> <p>Obtained risk assessment of tax litigation from our internal tax expert to assess management's judgement and assumption on such matters to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. They also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

## Information Other than the Consolidated Financial Statements and Auditors' Report thereon

- The Bank's Board of Directors is responsible for preparation of the other information. The other information comprises the Corporate Governance report (but does not include the Consolidated Financial Statements and our auditors' report thereon), which we obtained at the time of issue of this auditors' report. The Other Information also includes the Directors' Report of the Bank including annexures in annual report thereon, which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the Consolidated Financial Statements does not cover the other information and Pillar 3 disclosures under the Basel III and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the Other Information that we obtained prior to the date of this Auditors' Report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this matter.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

5. The Bank's Board of Directors is responsible with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standard 21- "Consolidated Financial Statements", Accounting Standards 23- "Accounting for Investment in Associates in Consolidated Financial Statements" and Accounting Standards 27 – Financial Reporting of Interest in Joint Venture" issued by the Institute of Chartered Accountants of India, and provisions of Section 29 of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Banking Regulations Act, 1949 and applicable laws for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, respective Board of Directors of the Group Entities is responsible for assessing the respective Group Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group Entities or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors of the Group Entities are also responsible for overseeing the respective Group Entity's financial reporting process.

## **Auditors' Responsibility for the Audit of Consolidated Financial Statements**

6. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

# Independent Auditors' Report

based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group Entity to cease to continue as a going concern.

- Evaluate the overall presentation structure and content of the Consolidated Financial Statements, including the disclosures and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Associates and Jointly Controlled Entities of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

7. Incorporated in these consolidated financial statements are the:

- a) We did not audit the financial statements / information of 6052 branches (including 35 Foreign branches) included in the Standalone Financial Statements of the Bank whose financial statements/ financial information reflects total assets of ₹47,02,753 Crore at March 31, 2024 and total revenue of ₹3,50,397 Crore for the year ended on that date, as considered in the Standalone Financial Statements. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.
- b) We did not audit the financial statements of 25 Subsidiaries, 7 Jointly Controlled Entities whose financial statements reflect total assets of ₹5,84,146.86 Crore as at March 31, 2024, total revenues of ₹1,37,610.16 Crore for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of ₹1,383.94 Crore for the year ended March 31, 2024, as considered in the Consolidated Financial Statements, in respect of 18 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries,

jointly controlled entities and associates, and our report in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors

- c) We did not audit the financial statements of 1 subsidiary and 1 associate whose financial statements reflect total assets of ₹8,440.76 Crore as at March 31, 2024, total revenues of ₹571.25 Crore as considered in Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of ₹21.21 Crore for the year ended March 31, 2024, as considered in the Consolidated Financial Statements, in respect of 1 associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associate, and our report relates to the aforesaid subsidiary and associate, in so far as is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

8. The auditors of SBI Life Insurance Company Limited and SBI General Insurance Company Limited, subsidiaries of the Group, have reported that the actuarial valuation of liabilities for life policies in force, for policies in respect of which premium has been discontinued but liability exist as at March 31, 2024 and the actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR) and Claims Not Incurred But Not Enough Reported (IBNER) is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2024 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory Development

Authority of India ("IRDAI" / "Authority") and the Institute of Actuaries of India in concurrence with the Authority. The auditors have relied upon Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists in financial statements of the Company.

### Report on Other Legal and Regulatory Requirements

9. The Consolidated Balance Sheet and the Consolidated Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949; and these give information as required to be given by virtue of the provisions of the State Bank of India Act, 1955 and regulations there under.

Subject to the limitations of the audit indicated in paragraph 5 to 8 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required therein, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
- b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

10. We further report that:

- a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and the reports of the other auditors and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- b) the Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;

# Independent Auditors' Report

- c) the reports on the accounts of the branch offices audited by branch auditors of the Bank as per the provisions of the section 29 of the Banking Regulation Act, 1949, and the State Bank of India Act, 1955 have been sent to us and have been properly dealt with by us in preparing this report; and
- d) in our opinion, the Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
11. As required by letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:
- a) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Bank.
- b) On the basis of the written representations received from the directors of the Bank as on March 31, 2024 taken on record by the Board of Directors of the Bank and the reports of the statutory auditors of its subsidiary,
- associate companies and jointly controlled entities incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
- c) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
- d) As per para 1.14 of the Technical Guide on Audit of Internal Financial Controls in Case of Public Sector Banks issued by ICAI, the reporting requirement as introduced by RBI regarding Internal Financial Control over Financial Reporting will apply only to standalone financial statements of Public Sector Banks (PSBs) and not to consolidated financial statements of PSBs. Accordingly, reporting is not done on the Group's Internal Financial Control over Financial Reporting with reference to the Consolidated Financial Statements as at March 31, 2024.

**K C Mehta & Co LLP**

Chartered Accountants

Firm Registration No.106237W/W100829

**CA Chirag Bakshi**

Partner

Membership No. 047164

UDIN: 24047164BKAKPP7295

Place: Mumbai

Date: 9<sup>th</sup> May 2024



## Annexure A: List of entities consolidated as at March 31, 2024

| Sr. No. | Name of Subsidiary                                | Sr. No. | Name of Subsidiary                                              |
|---------|---------------------------------------------------|---------|-----------------------------------------------------------------|
| 1       | SBI Capital Markets Ltd.                          | 14      | SBI Cards and Payment Services Limited                          |
| 2       | SBICAP Securities Ltd.                            | 15      | SBI-SG Global Securities Services Pvt. Ltd.                     |
| 3       | SBICAP Trustee Company Ltd.                       | 16      | SBI Funds Management Ltd.                                       |
| 4       | SBICAP Ventures Ltd.                              | 17      | SBI Funds Management (International) Private Ltd.               |
| 5       | SBI DFHI Ltd.                                     | 18      | Commercial Indo Bank Llc, Moscow                                |
| 6       | SBI Global Factors Ltd.                           | 19      | SBI Canada Bank - Unaudited                                     |
| 7       | SBI CDMDF Trustee Pvt. Ltd. (w.e.f. 25.07.2023)   | 20      | State Bank of India (California)                                |
| 8       | SBI Mutual Fund Trustee Company Pvt Ltd.          | 21      | State Bank of India (UK) Limited                                |
| 9       | SBI Payment Services Pvt. Ltd.                    | 22      | State Bank of India Servicios Limitada                          |
| 10      | SBI Pension Funds Pvt Ltd.                        | 23      | SBI (Mauritius) Ltd.                                            |
| 11      | State Bank Operations Support Services Pvt. Ltd.  | 24      | PT Bank SBI Indonesia                                           |
| 12      | SBI Life Insurance Company Ltd.                   | 25      | Nepal SBI Bank Ltd.                                             |
| 13      | SBI General Insurance Company Ltd.                | 26      | Nepal SBI Merchant Banking Limited                              |
| Sr. No. | Name of Joint venture                             | Sr. No. | Name of Joint venture                                           |
| 1       | C - Edge Technologies Ltd.                        | 5       | Macquarie SBI Infrastructure Trustee Ltd.                       |
| 2       | SBI Macquarie Infrastructure Management Pvt. Ltd. | 6       | Oman India Joint Investment Fund – Management Company Pvt. Ltd. |
| 3       | SBI Macquarie Infrastructure Trustee Pvt. Ltd.    | 7       | Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.    |
| 4       | Macquarie SBI Infrastructure Management Pte. Ltd. |         |                                                                 |
| Sr. No. | Name of Associate                                 | Sr. No. | Name of Associate                                               |
| 1       | Andhra Pradesh Grameena Vikas Bank                | 11      | Jharkhand Rajya Gramin Bank                                     |
| 2       | Arunachal Pradesh Rural Bank                      | 12      | Saurashtra Gramin Bank                                          |
| 3       | Chhattisgarh Rajya Gramin Bank                    | 13      | Rajasthan Marudhara Gramin Bank                                 |
| 4       | Ellaquai Dehati Bank                              | 14      | Telangana Grameena Bank                                         |
| 5       | Meghalaya Rural Bank                              | 15      | The Clearing Corporation of India Ltd.                          |
| 6       | Madhyanchal Gramin Bank                           | 16      | Yes Bank Limited                                                |
| 7       | Mizoram Rural Bank                                | 17      | Bank of Bhutan Ltd. - Unaudited                                 |
| 8       | Nagaland Rural Bank                               | 18      | Investec Capital Services (India) Private Limited               |
| 9       | Utkal Grameen Bank                                | 19      | Jio Payments Bank Ltd.                                          |
| 10      | Uttarakhand Gramin Bank                           |         |                                                                 |

## PILLAR 3 DISCLOSURES

(Consolidated) as on 31.03.2024

### DF-1: SCOPE OF APPLICATION

"State Bank of India is the parent company to which the Basel III Framework applies. The consolidated financial statements of the group conform to Generally Accepted Accounting Principles (GAAP) in India, comprising regulatory norms, directions & guidelines prescribed by the Reserve Bank of India (RBI), statutory guidelines of the State Bank of India Act, 1955, the Banking Regulations Act, 1949, Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA), SEBI (Mutual Funds) Regulations, 1996, Companies Act 2013, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and the accounting practices prevalent in India."

#### (i) Qualitative Disclosures:

##### a) List of group entities considered for consolidation for the period ended 31<sup>st</sup> March 2024

The following subsidiaries, joint ventures and associates are considered for the preparation of consolidated financial statements of SBI Group.

| Sr. No. | Name of the entity                                                                   | Country of incorporation | Whether the entity is included under accounting scope of consolidation (yes / no) | Explain the method of consolidation | Whether the entity is included under regulatory scope of consolidation (yes / no) | Explain the method of consolidation | Explain the reasons for difference in the method of consolidation | Explain the reasons if consolidated under only one of the scopes of consolidation |
|---------|--------------------------------------------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| 1       | SBI Capital Markets Ltd.                                                             | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 2       | SBICAP Securities Ltd.                                                               | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 3       | SBICAP Ventures Ltd.                                                                 | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 4       | SBICAP Trustee Company Ltd.                                                          | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 5       | SBI DFHI Ltd.                                                                        | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 6       | SBI Payment Services Pvt. Ltd.                                                       | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 7       | SBI Global Factors Ltd.                                                              | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 8       | SBI Pension Funds Pvt Ltd.                                                           | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 9       | SBI –SG Global Securities Services Pvt. Ltd.                                         | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 10      | SBI Mutual Fund Trustee Company Pvt Ltd.                                             | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 11      | SBI Funds Management Ltd.                                                            | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 12      | SBI Funds Management (International) Private Ltd.                                    | Mauritius                | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 13      | SBI Cards and Payment Services Ltd.                                                  | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 14      | SBI CDMDT Trustee Private Limited (Date of incorporation 25 <sup>th</sup> July 2023) | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 15      | State Bank of India (California)                                                     | USA                      | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 16      | SBI Canada Bank                                                                      | Canada                   | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 17      | Commercial Indo Bank Llc, Moscow                                                     | Russia                   | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 18      | SBI (Mauritius) Ltd.                                                                 | Mauritius                | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 19      | PT Bank SBI Indonesia                                                                | Indonesia                | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 20      | Nepal SBI Bank Ltd.                                                                  | Nepal                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 21      | Nepal SBI Merchant Banking Ltd.                                                      | Nepal                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 22      | State Bank of India (UK) Limited                                                     | UK                       | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |

| Sr. No. | Name of the entity                                              | Country of incorporation | Whether the entity is included under accounting scope of consolidation (yes / no) | Explain the method of consolidation | Whether the entity is included under regulatory scope of consolidation (yes / no) | Explain the method of consolidation | Explain the reasons for difference in the method of consolidation | Explain the reasons if consolidated under only one of the scopes of consolidation |
|---------|-----------------------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| 23      | State Bank of India Servicos Limitada                           | Brazil                   | Yes                                                                               | Consolidated as per AS 21           | No                                                                                | Not applicable                      | Not applicable                                                    | Non-financial Subsidiary: Not under scope of Regulatory Consolidation             |
| 24      | State Bank Operations Support Services Pvt. Ltd.                | India                    | Yes                                                                               | Consolidated as per AS 21           | No                                                                                | Not applicable                      | Not applicable                                                    | Non-financial Subsidiary: Not under scope of Regulatory Consolidation             |
| 25      | SBI Life Insurance Company Ltd.                                 | India                    | Yes                                                                               | Consolidated as per AS 21           | No                                                                                | Not applicable                      | Not applicable                                                    | Insurance Joint Venture: Not under scope of Regulatory Consolidation              |
| 26      | SBI General Insurance Company Ltd.                              | India                    | Yes                                                                               | Consolidated as per AS 21           | No                                                                                | Not applicable                      | Not applicable                                                    | Insurance Joint Venture: Not under scope of Regulatory Consolidation              |
| 27      | C - Edge Technologies Ltd.                                      | India                    | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Non-financial Joint Venture: Not under scope of Regulatory Consolidation          |
| 28      | SBI Macquarie Infrastructure Management Pvt. Ltd.               | India                    | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Joint Venture: Not under scope of Regulatory Consolidation                        |
| 29      | SBI Macquarie Infrastructure Trustee Pvt. Ltd.                  | India                    | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Joint Venture: Not under scope of Regulatory Consolidation                        |
| 30      | Macquarie SBI Infrastructure Management Pte. Ltd.               | Singapore                | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Joint Venture: Not under scope of Regulatory Consolidation                        |
| 31      | Macquarie SBI Infrastructure Trustee Ltd.                       | Bermuda                  | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Joint Venture: Not under scope of Regulatory Consolidation                        |
| 32      | Oman India Joint Investment Fund – Management Company Pvt. Ltd. | India                    | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Joint Venture: Not under scope of Regulatory Consolidation                        |
| 33      | Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.    | India                    | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Joint Venture: Not under scope of Regulatory Consolidation                        |
| 34      | Andhra Pradesh Grameena Vikas Bank                              | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 35      | Arunachal Pradesh Rural Bank                                    | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 36      | Chhattisgarh Rajya Gramin Bank                                  | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |

## PILLAR 3 DISCLOSURES

(Consolidated) as on 31.03.2024

| Sr. No. | Name of the entity                                | Country of incorporation | Whether the entity is included under accounting scope of consolidation (yes / no) | Explain the method of consolidation | Whether the entity is included under regulatory scope of consolidation (yes / no) | Explain the method of consolidation | Explain the reasons for difference in the method of consolidation | Explain the reasons if consolidated under only one of the scopes of consolidation |
|---------|---------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| 37      | Ellaquai Dehati Bank                              | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 38      | Meghalaya Rural Bank                              | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 39      | Madhyanchal Gramin Bank                           | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 40      | Mizoram Rural Bank                                | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 41      | Nagaland Rural Bank                               | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 42      | Utkal Grameen Bank                                | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 43      | Uttarakhand Gramin Bank                           | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 44      | Jharkhand Rajya Gramin Bank                       | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 45      | Saurashtra Gramin Bank                            | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 46      | Rajasthan Marudhara Gramin Bank                   | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 47      | Telangana Grameena Bank                           | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 48      | The Clearing Corporation of India Ltd.            | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 49      | Yes Bank Ltd.                                     | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 50      | Bank of Bhutan Ltd.                               | Bhutan                   | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 51      | Investec Capital Services (India) Private Limited | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 52      | Jio Payments Bank Limited                         | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |

**b. List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation as on 31<sup>st</sup> March 2024**

(₹ In Crore)

| Sr. No. | Name of the entity                             | Country of incorporation | Principal activity of the entity                                                      | Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) | % of bank's holding in the total equity | Regulatory treatment of bank's investments in the capital instruments of the entity | Total balance sheet assets (as stated in the accounting balance sheet of the legal entity) |
|---------|------------------------------------------------|--------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| 1       | SBI Foundation                                 | India                    | A Not-for-Profit Company to focus on Corporate Social Responsibility (CSR) Activities | 348.89                                                                                     | 99.72%                                  | Deducted from regulatory capital                                                    | 349.60                                                                                     |
| 2       | SBI Home Finance Ltd.                          | India                    | Under winding up                                                                      | N.A.                                                                                       | 26.00%                                  | Risk weighted                                                                       | N.A.                                                                                       |
| 3       | SBI Infra Management Solutions Private Limited | India                    | Under winding up                                                                      | 3.93                                                                                       | 100%                                    | Deducted from regulatory capital                                                    | 3.94                                                                                       |
| 4       | SBI Funds International (IFSC) Limited         | GIFT City- India         | Funds Management*                                                                     | N.A.                                                                                       | 100.00%                                 | N.A                                                                                 | N.A.                                                                                       |

\*As on 31<sup>st</sup> March 2024, the license approval from International Financial Services Centres Authority (IFSCA) for doing business as "Fund Management Entity" is in process. Subsequent to the approval, the capital will be infused in the subsidiary and will be considered as group subsidiary in Consolidated Financial Statements of SBI.

**(ii) Quantitative Disclosures:**

**c. List of group entities considered for regulatory consolidation as on 31<sup>st</sup> March 2024**

Following is the list of group entities considered under regulatory scope of consolidation:

(₹ In Crore)

| Sr. No. | Name of the entity                  | Country of incorporation | Principal activity of the entity                                                                                               | Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)<br>\$# | Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)<br># | Remarks |
|---------|-------------------------------------|--------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|---------|
| 1       | SBI Capital Markets Ltd             | India                    | Merchant Banking and Advisory Services                                                                                         | 2,836.12                                                                                          | 3,902.95                                                                                        |         |
| 2       | SBICAP Securities Ltd               | India                    | Securities Broking & its allied services and third-party distribution of financial products                                    | 1,514.73                                                                                          | 4,802.16                                                                                        |         |
| 3       | SBICAP Trustee Company Ltd          | India                    | Corporate Trusteeship Activities                                                                                               | 204.17                                                                                            | 208.23                                                                                          |         |
| 4       | SBICAPS Ventures Ltd                | India                    | Asset Management Company for Venture Capital Fund                                                                              | 230.29                                                                                            | 310.68                                                                                          |         |
| 5       | SBI DFHI Ltd                        | India                    | Primary Dealer in Govt. Securities                                                                                             | 1,423.78                                                                                          | 21,901.85                                                                                       |         |
| 6       | SBI Mutual Fund Trustee Co. Pvt Ltd | India                    | Trusteeship Services to schemes floated by SBI Mutual Fund                                                                     | 20.56                                                                                             | 20.86                                                                                           |         |
| 7       | SBI Global Factors Ltd              | India                    | Factoring Activities                                                                                                           | 455.21                                                                                            | 1,835.91                                                                                        |         |
| 8       | SBI Pension Funds Pvt Ltd           | India                    | Pension Fund Manager (PFM) for Management of assets of NPS Trust and Point of Presence (PoP) for onboarding of NPS subscribers | 212.59                                                                                            | 218.05                                                                                          |         |
| 9       | SBI Payments Services Pvt Ltd       | India                    | Payment Solutions related to Merchant Acquiring Business duly enabling cashless / digital transactions                         | 1,459.33                                                                                          | 2,036.26                                                                                        |         |

## PILLAR 3 DISCLOSURES

(Consolidated) as on 31.03.2024

|         |                                                                                      |                          |                                                                 |                                                                                                |                                                                                              | (₹ In Crore) |
|---------|--------------------------------------------------------------------------------------|--------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------|
| Sr. No. | Name of the entity                                                                   | Country of incorporation | Principal activity of the entity                                | Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) \$# | Total balance sheet assets (as stated in the accounting balance sheet of the legal entity) # | Remarks      |
| 10      | SBI Funds Management Ltd                                                             | India                    | Asset Management Services to schemes floated by SBI Mutual Fund | 6,058.57                                                                                       | 6,230.65                                                                                     |              |
| 11      | SBI Funds Management (International) Private Ltd                                     | Mauritius                | Investment Management Services                                  | 1.08                                                                                           | 2.32                                                                                         |              |
| 12      | SBI Cards & Payment Services Ltd                                                     | India                    | Credit Cards Business                                           | 11,356.13                                                                                      | 57,470.08                                                                                    |              |
| 13      | SBI-SG Global Securities Services P. Ltd.                                            | India                    | Custody and Fund accounting services                            | 510.36                                                                                         | 1,008.43                                                                                     |              |
| 14      | SBI CDMDF Trustee Private Limited (Date of incorporation 25 <sup>th</sup> July 2023) | India                    | Trusteeship Services to Corporate Debt Market Development Fund  | 0.22                                                                                           | 0.23                                                                                         |              |
| 15      | State Bank of India (California)                                                     | USA                      | Banking Services                                                | 1,379.94                                                                                       | 9,918.36                                                                                     |              |
| 16      | SBI Canada Bank                                                                      | Canada                   | Banking Services                                                | 1,197.75                                                                                       | 8,440.76                                                                                     |              |
| 17      | Commercial Indo Bank Llc, Moscow                                                     | Russia                   | Banking Services                                                | 760.52                                                                                         | 7,738.76                                                                                     |              |
| 18      | SBI (Mauritius) Ltd                                                                  | Mauritius                | Banking Services                                                | 1,522.53                                                                                       | 11,124.66                                                                                    |              |
| 19      | PT Bank SBI Indonesia                                                                | Indonesia                | Banking Services                                                | 1,717.49                                                                                       | 3,778.45                                                                                     |              |
| 20      | Nepal SBI Bank Ltd                                                                   | Nepal                    | Banking Services                                                | 1,223.52                                                                                       | 13,688.36                                                                                    |              |
| 21      | State Bank of India (UK) Limited                                                     | UK                       | Banking Services                                                | 2,859.68                                                                                       | 19,422.12                                                                                    |              |
| 22      | Nepal SBI Merchant Banking Ltd.                                                      | Nepal                    | Merchant Banking and Advisory Services                          | 18.64                                                                                          | 19.55                                                                                        |              |

\$ Comprises of Equity Capital and Reserve & Surplus

# In case of domestic entities as per IGAAP and in case of overseas entities as per respective local regulations

### (d) The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:

| Name of the Subsidiaries/ Country of incorporation | Principal activity of the entity | Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) | % of Bank's holding in the total equity | Capital Deficiency |
|----------------------------------------------------|----------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------|--------------------|
| NIL                                                |                                  |                                                                                            |                                         |                    |

### (e) The aggregate amount (e.g. current book value) of the Bank's total interests in Insurance entities, which are risk weighted

|           |            |            |              |                                        |                |     |                                  |                                                                                            |                                         |                                                                                                             | (₹ In Crore) |
|-----------|------------|------------|--------------|----------------------------------------|----------------|-----|----------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------------------------------|--------------|
| LONG NAME | Face Value | Book Value | Market Value | Excess Provision (LICRA+IRAC +IOS+RCH) | Capital Charge | RWA | Principal activity of the entity | Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) | % of Bank's holding in the total equity | Quantitative impact on regulatory capital of using risk weighting method Vs using the full deduction method |              |
| -         | -          | -          | -            | -                                      | -              | -   | -                                | -                                                                                          | -                                       | -                                                                                                           |              |

**(f) Any restrictions or impediments on transfer of funds or regulatory capital within banking group:**

**Overseas Banking Subsidiaries**

| <b>Subsidiaries</b>                     | <b>Restrictions</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SBI California                          | As per regulations, the only way to transfer capital to parent bank is to pay dividends or buyback shares or capital repatriation to parent bank.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| SBI Canada                              | Prior permission from the regulator (OSFI) before transferring any type of capital (equity or debt) to parent bank.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| SBI Mauritius Ltd.                      | There are regulatory restrictions for the reduction of the Bank's capital to be paid back to the shareholders including the parent bank. Any reduction in capital can be made either through payment of dividend or reduction in stated capital as provided in the banking act and the companies act of Mauritius. The amount to be paid is subject to SBIML maintaining adequate capital and liquidity ratios as per the regulatory requirements.<br>(a) The central bank shall not grant, and no bank shall hold, a banking license unless it maintains and continues to maintain in Mauritius, an amount paid as stated capital or an amount of assigned capital of not less than 400 million rupees or the equivalent.<br>(b) Every bank shall maintain, in Mauritius, capital of not less than 10 per cent, or such higher ratio as may be determined by the central bank, of such of that bank's risk assets and of other types of risks. |
| Bank SBI Indonesia                      | The Bank maintains a minimum regulatory capital to be able to operate as a Book II bank as well as a forex bank. However, transfer of funds as dividend to parent bank is allowed after generation of sufficient profit.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Nepal SBI Bank Ltd.                     | Under the laws of Nepal, Assets and Liabilities of the Company are exclusive and non-transferable. Hence, the transfer of funds or regulatory capital within the banking group is not possible.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Commercial Indo Bank Llc, Moscow (CIBL) | There are no restrictions or impediments on transfer of funds or regulatory capital within banking group.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| State Bank of India (UK) Limited        | Excess capital beyond the regulatory minimum can be paid back to the parent (via dividends or reduced capital) along with the approval of SBI UK Board and PRA. This will be based on the projected growth plans of SBI UK Limited and its capital requirements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

**Non-Banking Subsidiaries**

| <b>Sr. No</b> | <b>Name of the Entity</b>         | <b>As advised by Non-Banking Subsidiaries</b>                                                                                                                                                                                                                                                                                                                                                                   |
|---------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1             | SBI Life Insurance Ltd.           | <ul style="list-style-type: none"> <li>As per regulations, the only way to transfer capital to the parent Bank is to pay dividends in accordance with Section 49 of Insurance Act, 1938.</li> <li>This is subject to maintaining the minimum solvency ratio 150% in accordance with Regulatory norms. The Board of Directors of the Company has specified a minimum limit of solvency ratio at 180%.</li> </ul> |
| 2             | SBI General Insurance Co. Ltd.    | <ul style="list-style-type: none"> <li>As per regulations, the only way to transfer capital to the parent Bank is to pay dividends in accordance with Section 49 of Insurance Act, 1938.</li> <li>This is subject to maintaining the minimum solvency ratio 150% in accordance with Regulatory norms. The Board of Directors of the Company has specified a minimum limit of solvency ratio at 170%.</li> </ul> |
| 3             | SBI Cards & Payment Services Ltd. | <ul style="list-style-type: none"> <li>SBI Card can return share capital to SBI only by way of buy back of shares in accordance with the provisions of Companies Act, SEBI and RBI regulations.</li> </ul>                                                                                                                                                                                                      |
| 4             | SBI Funds Mgmt. Ltd.              | <ul style="list-style-type: none"> <li>SBIFML can transfer capital by way of buy back subject to adherence of Companies Act, SEBI Regulations, Articles of Association of the Company and other applicable regulations. Further, in terms of Companies Act, wherever approval of Board / Shareholders are required, the company comply with the same.</li> </ul>                                                |
| 5             | SBI Mutual Fund Trustee co. Ltd.  | <ul style="list-style-type: none"> <li>The Company can transfer capital by way of buy back subject to adherence of Companies Act, SEBI Regulations and other applicable regulations. Further, in terms of Companies Act, wherever approval of Board / Shareholders are required, the company comply with the same.</li> </ul>                                                                                   |
| 6             | SBI CDMDF Trustee Pvt. Ltd.       | <ul style="list-style-type: none"> <li>The Company can transfer capital by way of buy back subject to adherence of Companies Act, SEBI Regulations and other applicable regulations. Further, in terms of Companies Act, wherever approval of Board / Shareholders are required, the company comply with the same.</li> </ul>                                                                                   |

## PILLAR 3 DISCLOSURES

(Consolidated) as on 31.03.2024

| Sr. No | Name of the Entity                     | As advised by Non-Banking Subsidiaries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7      | SBI Capital Markets Ltd.               | <ul style="list-style-type: none"> <li>Transfer of capital from SBICAP to the parent SBI, would be subject to the below: <ul style="list-style-type: none"> <li>As per SEBI Merchant Bankers Regulations 1992, a category I Merchant Banker requires a minimum Net worth of ₹5 Crore. Further, if any Transfer of funds leads to change in control approval from SEBI shall be required.</li> <li>As per SEBI (Research Analyst) Regulations, 2014, a research analyst who is a body corporate requires a Networth of ₹25 Lakh. Further, if any Transfer of funds leads to change in control approval from SEBI shall be required.</li> </ul> </li> <li>Article 60 of AOA of SBICAP provides that notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.</li> <li>SBICAP has an internal Risk policy of maintaining a minimum CAR of 15.00.</li> <li>All of the above would be subject to the approval of the Board of SBICAP.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 8      | SBICAP Ventures Ltd (SVL)              | <ul style="list-style-type: none"> <li>SVL can transfer capital by way of buy back subject to adherence of Companies Act, SEBI Regulations, Articles of Association of the Company and other applicable regulations. Further, in terms of Companies Act, wherever approval of Board / Shareholders are required, the company would comply with the same.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 9      | SBI Global Factors Ltd.                | <ul style="list-style-type: none"> <li>As per regulations, the only way to transfer Capital to parent bank is to pay dividends or buy back shares. There are Regulatory restrictions for the reduction of the Company's capital to be paid back to the Shareholders including the parent. Any reduction in capital can be made either through payment of dividend or reduction in stated capital as provided in the RBI Guidelines and the Companies Act. The amount to be paid is subject to maintaining adequate capital and the liquidity ratio as per the regulatory requirements. <ul style="list-style-type: none"> <li>A Company cannot hold NBFC-Factors license unless it maintains and continues to maintain, an amount paid as Net Owned Funds.</li> <li>Every NBFC shall maintain, capital of not less than 15% of its aggregated risk weighted assets (Tier I plus Tier II Capital, Tier I capital should not be less than 10%) on Balance Sheet and of risk adjusted value of off-Balance Sheet items, or such higher ratio as may be determined by the central bank.</li> <li>Every Company registered as NBFC- Factors shall maintain minimum Net Owned Fund (NOF) of ₹5 Crore as required by Factoring Regulations Act, 2011.</li> <li>Companies Act also stipulates some conditions for transfer of capital by way of buy-back of shares or distribution as dividends.</li> </ul> </li> <li>There are no specific restrictions on transfer of funds or regulatory capital in Articles of Association of the Company.</li> <li>In case of excess capital beyond the regulatory minimum requirement, can be paid back to the parent (via dividends or reduced capital) with the approval of Board and the Regulator. This will be based on the projected growth plans and its capital requirements.</li> </ul> |
| 10     | SBI-SG Global Securities Services Ltd. | <ul style="list-style-type: none"> <li>The transfer of Capital would be subject to maintenance of Minimum Regulatory Net worth of ₹500 million prescribed by SEBI. Apart from this Company as per the Board is required to maintain Charge on Capital of ₹200 million (as on 31<sup>st</sup> March 2024) for Operational Risk which is calculated as per Standardised Approach of Basel II.</li> <li>Transfer can be achieved through issue of new shares (other than shares issued on a rights basis or in a subsequent placement), creation of option or warrants, creating new classes of shares, buy backs/ redemption/ repurchase, splits, issuance of convertible debt, bonuses, lien or encumbrances or debt restructure involving conversion into equity which would be anti-dilutive for the parties and/or their rights as equity shareholders and declaration of dividend by the company.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |



| Sr. No | Name of the Entity                               | As advised by Non-Banking Subsidiaries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11     | SBI DFHI Ltd.                                    | <p>The capital can be transferred to the parent bank by way of dividends or buy back shares. The RBI instructions for Standalone Primary Dealers (SPD) in this regard are as under:</p> <ul style="list-style-type: none"> <li>• Any change in the shareholding pattern / capital structure of SPD shall need prior approval of RBI.</li> <li>• SPDs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio (CRAR) of 15 per cent on an ongoing basis.</li> </ul> <p>1) SPDs shall follow the following guidelines while declaring dividend distribution:</p> <ul style="list-style-type: none"> <li>i. SPDs that meet the following minimum prudential requirements shall be eligible to declare dividend: <ul style="list-style-type: none"> <li>a) SPDs should have maintained a minimum CRAR of 20 per cent for the financial year (each of the four quarters) for which dividend is proposed.</li> <li>b) The net NPA ratio shall be less than six per cent in each of the last three years, including as at the close of the financial year for which dividend is proposed to be declared.</li> <li>c) SPDs shall comply with the provisions of Section 45 IC of the Reserve Bank of India Act, 1934.</li> <li>d) SPDs shall be compliant with the prevailing regulations/ guidelines issued by the Reserve Bank. The Reserve Bank shall not have placed any explicit restrictions on declaration of dividend.</li> </ul> </li> <li>• SPDs that meet the eligibility criteria specified in paragraph (1) above can declare dividend up to a dividend pay-out ratio of 60 per cent.</li> </ul> <p>SPDs having CRAR below the regulatory minimum of 15 per cent in any of the four quarters of the financial year for which dividend is proposed shall not declare any dividend. For SPDs having CRAR at or above the regulatory minimum of 15 per cent during all the four quarters of the financial year for which dividend is being considered, but lower than 20 per cent in any of the four quarters, the dividend pay-out ratio shall not exceed 33.3 per cent.</p> |
| 12     | SBI Pension Funds Pvt. Ltd.                      | <ul style="list-style-type: none"> <li>• SBI Pension Fund can return share capital to SBI only by way of buy back of shares in accordance with the provisions of Companies Act and PFRDA Regulations.</li> <li>• The only criteria is that the Company should maintain minimum Net Worth of ₹50 Crore and shall fulfil the minimum eligibility criteria of the Pension Fund i.e. Reg 8 (d) the sponsor shall have Profits After Tax in at least three of the preceding five financial years. Further, there shall be no cash loss in the last preceding five years.</li> <li>• Further, as per Regulation J, any change in management, ownership, shareholding pattern, or controlling interest of the sponsor of the pension fund exceeding one percent, but less than five percent of the paid-up capital of the sponsor or pension fund in a financial year, shall be informed to the Authority within fifteen days of the occurrence of such change.</li> <li>• Provided that no change in excess of five percent. or more of the paid-up capital of the sponsor or the pension fund, in any financial year, shall be made without prior approval of the Authority.</li> <li>• The Capital can be paid to the parent with the Board and Shareholders approval and fulfilling the PFRDA regulations &amp; the provisions of the Companies Act, 2013.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 13     | SBI Payment Services Pvt. Ltd.                   | <ul style="list-style-type: none"> <li>• There are no restrictions or impediments on the transfer of funds or Regulatory capital as per JV agreement.</li> <li>• Transfer of funds is subject to approval from the SBI Payments Board and JV partners.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 14     | State Bank Operations Support Services Pvt. Ltd. | <ul style="list-style-type: none"> <li>• SBOSS can transfer capital to the Holding Bank by way of dividends or buyback of shares.</li> <li>• Further, in terms of the Companies Act, 2013 wherever approval of the Board / Shareholders is required, the company will comply with the same.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

## PILLAR 3 DISCLOSURES

(Consolidated) as on 31.03.2024

### DF-2 – CAPITAL ADEQUACY

As on 31<sup>st</sup> March 2024

#### Qualitative Disclosures

- (a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities
- The Bank and its Subsidiaries undertake the Internal Capital Adequacy Assessment Process (ICAAP) on an annual basis. The ICAAP details the capital planning process and carries out an assessment covering measurement, monitoring, internal controls, reporting, capital requirement and stress testing of the following Risks:
    - Credit Risk
    - Operational Risk
    - Liquidity Risk
    - Compliance Risk
    - Pension Fund Obligation Risk
    - Reputation Risk
    - Residual Risk from Credit Risk Mitigants
    - Talent Risk
    - Any other applicable Risk
    - Market Risk
    - Credit Concentration Risk
    - Interest Rate Risk in the Banking Book
    - Country Risk
    - Strategic Risk
    - Model Risk
    - Contagion Risk
    - Cyber Risk
    - Underwriting Risk
  - Sensitivity Analysis is conducted annually or more frequently as required, on the movement of Capital Adequacy Ratio (CAR) in the medium horizon of 3 to 5 years, considering the projected investment in Subsidiaries / Joint Ventures by SBI and growth in Advances by SBI and its Subsidiaries (Domestic / Foreign). This analysis is done for the SBI and SBI Group separately.
  - CRAR of the Bank and for the Group as a whole is estimated to be well above the Regulatory CAR in the medium horizon of 3 to 5 years. However, to maintain adequate capital, the Bank has options to augment its capital resources by raising Subordinated Debt, Perpetual Cumulative Preference Shares (PCPS), Redeemable Non-Cumulative Preference Shares (RNCPS), Redeemable Cumulative Preference Shares (RCPS), Perpetual Debt Instruments (PDIs) and Perpetual Non-Cumulative Preference Shares (PNCPS) besides Equity as and when required.
  - Strategic Capital Plan for the Foreign Subsidiaries covers an assessment of capital requirement for growth of assets and the capital required complying with various local regulatory requirements and prudential norms. The growth plan is approved by the parent bank after satisfying itself about the capacity of the individual subsidiaries to raise CET 1 / AT 1 / Tier 2 Capital to support the increased level of assets and at the same time maintaining the Capital Adequacy Ratio (CAR).

#### Quantitative Disclosures

##### (b) Capital requirements for credit risk:

|                                               |                           |
|-----------------------------------------------|---------------------------|
| • Portfolios subject to standardised approach | ₹3,39,198.01 Crore        |
| • Securitisation exposures                    | Nil                       |
| <b>Total</b>                                  | <b>₹3,39,198.01 Crore</b> |

##### (c) Capital requirements for market risk:

|                                          |                         |
|------------------------------------------|-------------------------|
| • Standardised duration approach;        |                         |
| • Interest Rate Risk                     | ₹18,801.14 Crore        |
| • Foreign Exchange Risk (including gold) | ₹1,005.86 Crore         |
| • Equity Risk                            | ₹15,916.69 Crore        |
| <b>Total</b>                             | <b>₹35,723.69 Crore</b> |

##### (d) Capital requirements for operational risk:

|                                             |                         |
|---------------------------------------------|-------------------------|
| • Basic Indicator Approach                  | ₹39,323.58 Crore        |
| • The Standardised Approach (if applicable) | NA                      |
| <b>Total</b>                                | <b>₹39,323.58 Crore</b> |

### (e) Common Equity Tier 1, Tier 1 and Total Capital Ratios:

- For the top consolidated group; and
- For significant bank subsidiaries (stand alone or sub-consolidated depending on how the Framework is applied)

#### Capital adequacy ratios as on 31<sup>st</sup> March 2024

|                                  | CET 1 (%) | Tier 1 (%) | Total (%) |
|----------------------------------|-----------|------------|-----------|
| SBI Group                        | 10.57     | 12.06      | 14.38     |
| State Bank of India              | 10.36     | 11.93      | 14.28     |
| SBI (Mauritius) Ltd.             | 19.24     | 19.24      | 20.28     |
| State Bank of India (Canada)     | 16.73     | 16.73      | 19.09     |
| State Bank of India (California) | 13.35     | 13.35      | 14.40     |
| Commercial Indo Bank LLC, Moscow | 6.38      | 6.38       | 6.38      |
| Bank SBI Indonesia               | 66.62     | 66.62      | 67.36     |
| Nepal SBI Bank Ltd.              | 12.62     | 12.62      | 16.18     |
| SBI (UK) Ltd.                    | 17.51     | 17.51      | 17.51     |

## DF-3: CREDIT RISK: GENERAL DISCLOSURES

As on 31<sup>st</sup> March 2024

### General Disclosures

#### a. Qualitative Disclosures

##### ▪ Definitions of past due and impaired assets (for accounting purposes)

##### Non-performing assets

An asset becomes non-performing when it ceases to generate income for the Bank. As from 31<sup>st</sup> March 2006, a non-performing Asset (NPA) is an advance where

- Interest and/or instalment of principal remain 'overdue' for a period of more than 90 days in respect of a Term Loan.
- The account remains 'out of order' for a period of more than 90 days, in respect of an Overdraft/Cash Credit (OD/CC).
- The bill remains 'overdue' for a period of more than 90 days in the case of bills purchased and discounted.
- Any amount to be received remains 'overdue' for a period of more than 90 days in respect of other accounts.
- A loan granted for short duration crops is treated as NPA, if the instalment of principal or interest thereon remains overdue for two crop seasons and a loan granted for long duration crops is treated as NPA, if instalment of principal or interest thereon remains overdue for one crop season.
- An account would be classified as NPA only if the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter.
- The amount of a liquidity facility remains outstanding for more than 90 days, in respect of securitisation transactions undertaken in accordance with the RBI guidelines on securitisation dated 1<sup>st</sup> February 2006.
- In respect of derivative transactions, the overdue receivables representing the positive mark to market value of a derivative contract, remain unpaid for a period of 90 days from the specified due date for payment.

##### 'Out of Order' status

An account is treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power.

In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Bank's Balance Sheet, or where credits are not enough to cover the interest debited during the same period, such accounts are treated as 'out of order'.

## PILLAR 3 DISCLOSURES

(Consolidated) as on 31.03.2024

### 'Overdue'

Any amount due to the Bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the Bank.

#### ▪ Resolution of Stressed Assets

Early identification and reporting of stress:

Identification of incipient stress in loan accounts, immediately on default\*, by classifying stressed assets as special mention accounts (SMA) as per the following categories:

| SMA Sub-categories | Basis for classification – Principal or interest payment or any other amount wholly or partly overdue between |
|--------------------|---------------------------------------------------------------------------------------------------------------|
| SMA-0              | 1-30 days                                                                                                     |
| SMA-1              | 31-60 days                                                                                                    |
| SMA-2              | 61-90 days                                                                                                    |

\* Default' means non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not repaid by the debtor or the corporate debtor. For revolving facilities like cash credit, default would also mean, without prejudice to the above, the outstanding balance remaining continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than 30 days.

#### ▪ Discussion of the Bank's Credit Risk Management Policy

The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Over the years, the policy & procedures in this regard have been refined as a result of evolving concepts and actual experience. The policy and procedures have been aligned to the approach laid down in Basel-II and RBI guidelines.

Credit Risk Management encompasses identification, assessment, measurement, monitoring and control of the credit risk in exposures.

In the processes of identification and assessment of Credit Risk, the following functions are undertaken:

- Developing and refining the Credit Risk Assessment (CRA) Models/Scoring Models to assess the Counterparty Risk, by taking into account the various risks categorised broadly into Financial, Business, Industrial and Management Risks, each of which is scored separately.
- Conducting industry research to give specific policy prescriptions and setting quantitative exposure parameters for handling portfolio in large / important industries, by issuing advisories on the general outlook for the Industries / Sectors, from time to time.

The measurement of Credit Risk involves computation of Credit Risk Components viz Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD).

The monitoring and control of Credit Risk includes setting up exposure limits to achieve a well-diversified portfolio across dimensions such as single borrower, group borrower and industries. For better risk management and avoidance of concentration of Credit Risks, internal guidelines on prudential exposure norms in respect of individual companies, group companies, Banks, individual borrowers, non-corporate entities, sensitive sectors such as capital market, real estate, sensitive commodities, etc., are in place. Credit Risk Stress Tests are conducted at half yearly interval to identify vulnerable areas for initiating corrective action, where necessary.

The Bank has also a Loan Policy which aims at continued improvement of the overall quality of assets at the portfolio level, by establishing a commonality of approach regarding credit basics, appraisal skills, documentation standards and awareness of institutional concerns and strategies, while leaving enough room for flexibility and innovation.

The Bank has processes and controls in place in regard to various aspects of Credit Risk Management such as appraisal, pricing, credit approval authority, documentation, reporting and monitoring, review and renewal of credit facilities, management of problem loans, credit monitoring, etc. The Bank also has a system of Credit Audit with the aims of achieving continuous improvement in the quality of the credit portfolio with exposure of ₹20 Crore. and above. Credit Audit covers audit of credit sanction decisions at various levels. Both the pre-sanction process and post-sanction position are examined as a part of the Credit Audit System. Credit Audit also examines identified Risks and suggests Risk Mitigation Measures.

## DF-3: Quantitative Disclosures as on 31<sup>st</sup> March 2024

(Insurance entities, JVs & Non-financial entities excluded)

### General Disclosures:

| ₹ in Crore                                                                                                                        |                           |                |            |
|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------|------------|
| Quantitative Disclosures                                                                                                          | Fund Based                | Non-Fund Based | Total      |
| b Total Gross Credit Risk Exposures                                                                                               | 3848773.12                | 543475.91      | 4392249.03 |
| c Geographic Distribution of Exposures: FB / NFB                                                                                  |                           |                |            |
| Overseas                                                                                                                          | 583115.33                 | 85242.52       | 668357.85  |
| Domestic                                                                                                                          | 3265657.79                | 458233.39      | 3723891.18 |
| d Industry Type Distribution of Exposures<br>Fund based / Non-Fund Based separately                                               | Please refer to Table "A" |                |            |
| e Residual Contractual Maturity Breakdown of Assets                                                                               | Please refer to Table "B" |                |            |
| f Amount of NPAs (Gross) i.e. Sum of (i to v)                                                                                     |                           |                | 85674.03   |
| i. Substandard                                                                                                                    |                           |                | 15031.75   |
| ii. Doubtful 1                                                                                                                    |                           |                | 10691.71   |
| iii. Doubtful 2                                                                                                                   |                           |                | 13246.71   |
| iv. Doubtful 3                                                                                                                    |                           |                | 18758.98   |
| v. Loss                                                                                                                           |                           |                | 27944.89   |
| g Net NPAs                                                                                                                        |                           |                | 21123.00   |
| h NPA Ratios                                                                                                                      |                           |                |            |
| i) Gross NPAs to gross advances                                                                                                   |                           |                | 2.23%      |
| ii) Net NPAs to net advances                                                                                                      |                           |                | 0.56%      |
| i Movement of NPAs (Gross)                                                                                                        |                           |                |            |
| i) Opening balance                                                                                                                |                           |                | 91874.12   |
| ii) Additions                                                                                                                     |                           |                | 23856.96   |
| iii) Reductions                                                                                                                   |                           |                | 30057.05   |
| iv) Closing balance                                                                                                               |                           |                | 85674.03   |
| j Movement of provisions for NPAs                                                                                                 |                           |                |            |
| i) Opening balance                                                                                                                |                           |                | 70377.12   |
| ii) Provisions made during the period                                                                                             |                           |                | 12303.64   |
| iii) Write-off/Write-back of excess provisions                                                                                    |                           |                | 18129.73   |
| iv) Closing balance                                                                                                               |                           |                | 64551.03   |
| k Amount of Non-Performing Investments                                                                                            |                           |                | 2371.28    |
| l Amount of Provisions held for Non-Performing Investments                                                                        |                           |                | 2025.50    |
| m Movement of Provisions for Depreciation on Investments                                                                          |                           |                |            |
| Opening balance                                                                                                                   |                           |                | 16244.68   |
| Provisions made during the period                                                                                                 |                           |                | 369.03     |
| Write-off                                                                                                                         |                           |                | 205.43     |
| Write-back of excess provisions                                                                                                   |                           |                | 6081.44    |
| Closing balance                                                                                                                   |                           |                | 10326.84   |
| n By major industry or counter party type                                                                                         |                           |                |            |
| Amt. of NPA and if available, past due loans, provided separately                                                                 |                           |                | 34475.35   |
| Specific & general provisions; and                                                                                                |                           |                | -          |
| Specific provisions and write-offs during the current period                                                                      |                           |                | -          |
| o Amt. of NPAs and past due loans provided separately by significant geographical areas including specific and general provisions |                           |                | -          |
| Provisions                                                                                                                        |                           |                | -          |

## PILLAR 3 DISCLOSURES

(Consolidated) as on 31.03.2024

**Table- A: DF-3 (d) Industry Type Distribution of Exposures as on 31<sup>st</sup> March 2024**

(₹ in Crore)

| Code         | Industry                       | Fund Based [Outstanding-O/s)] |                  |                     | Non-Fund Based(O/s) |
|--------------|--------------------------------|-------------------------------|------------------|---------------------|---------------------|
|              |                                | Standard                      | NPA              | Total               |                     |
| 1            | Coal                           | 7,922.35                      | 331.79           | 8,254.13            | 7,468.71            |
| 2            | Mining                         | 14,608.29                     | 61.64            | 14,669.93           | 3,755.91            |
| 3            | Iron & Steel                   | 79,508.32                     | 407.09           | 79,915.41           | 46,956.89           |
| 4            | Metal Products                 | 36,170.80                     | 294.69           | 36,465.49           | 16,270.43           |
| 5            | All Engineering                | 39,592.18                     | 1,845.62         | 41,437.80           | 72,160.51           |
| 5.1          | Of which Electronics           | 7,052.44                      | 102.50           | 7,154.94            | 5,283.36            |
| 6            | Electricity                    | 2,163.98                      | 0.74             | 2,164.72            | 17.26               |
| 7            | Cotton Textiles                | 24,895.57                     | 1,077.49         | 25,973.06           | 1,877.18            |
| 8            | Jute Textiles                  | 770.35                        | 38.31            | 808.66              | 42.78               |
| 9            | Other Textiles                 | 12,260.89                     | 1,022.81         | 13,283.70           | 2,198.67            |
| 10           | Sugar                          | 9,509.37                      | 223.93           | 9,733.30            | 1,153.96            |
| 11           | Tea                            | 1,457.20                      | 61.57            | 1,518.77            | 40.74               |
| 12           | Food Processing                | 70,598.29                     | 4,152.54         | 74,750.83           | 5,744.98            |
| 13           | Vegetable Oils & Vanaspati     | 5,865.04                      | 421.97           | 6,287.01            | 4,464.61            |
| 14           | Tobacco / Tobacco Products     | 2,390.15                      | 10.61            | 2,400.76            | 204.91              |
| 15           | Paper / Paper Products         | 6,387.27                      | 202.38           | 6,589.65            | 1,350.71            |
| 16           | Rubber / Rubber Products       | 10,670.07                     | 427.95           | 11,098.02           | 1,714.22            |
| 17           | Chemicals / Dyes / Paints etc. | 1,00,248.76                   | 779.55           | 1,01,028.31         | 57,978.68           |
| 17.1         | Of which Fertilizers           | 11,445.98                     | 13.45            | 11,459.43           | 11,490.07           |
| 17.2         | Of which Petrochemicals        | 45,713.11                     | 21.55            | 45,734.66           | 39,812.08           |
| 17.3         | Of which Drugs & Pharma        | 21,628.07                     | 385.48           | 22,013.55           | 3,215.68            |
| 18           | Cement                         | 8,847.23                      | 691.46           | 9,538.69            | 5,307.24            |
| 19           | Leather & Leather Products     | 2,136.67                      | 100.13           | 2,236.70            | 214.26              |
| 20           | Gems & Jewellery               | 9,940.87                      | 1,260.81         | 11,201.68           | 166.44              |
| 21           | Construction                   | 54,046.44                     | 1,032.80         | 55,079.24           | 21,882.99           |
| 22           | Petroleum                      | 91,806.29                     | 163.79           | 91,970.08           | 23,670.06           |
| 23           | Automobiles & Trucks           | 19,274.97                     | 824.98           | 20,099.97           | 4,744.13            |
| 24           | Computer Software              | 2,535.05                      | 9.27             | 2,544.32            | 1,632.66            |
| 25           | Infrastructure                 | 4,15,416.29                   | 16,705.64        | 4,32,121.93         | 81,716.50           |
| 25.1         | Of which Power                 | 2,21,665.84                   | 1,996.10         | 2,23,661.94         | 41,068.28           |
| 25.2         | Of which Telecommunication     | 32,660.50                     | 2,211.76         | 34,872.26           | 1,586.07            |
| 25.3         | Of which Roads & Ports         | 1,00,582.10                   | 6,648.65         | 1,07,230.75         | 20,014.50           |
| 26           | Other Industries               | 5,34,377.06                   | 28,088.56        | 5,62,465.62         | 1,18,878.25         |
| 27           | NBFCs & Trading                | 6,77,512.73                   | 10,673.17        | 6,88,185.90         | 36,407.56           |
| 28           | Residual Advances              | 15,22,186.62                  | 14,762.76        | 15,36,949.38        | 25,454.66           |
| <b>Total</b> |                                | <b>37,63,099.09</b>           | <b>85,674.03</b> | <b>38,48,773.12</b> | <b>54,3475.91</b>   |

Table- B DF-3 (e) SBI (CONSOLIDATED) Residual contractual maturity breakdown of assets as on 31<sup>st</sup> March 2024\*

| (₹ In Crore)                |                  |                 |                 |                  |                         |                                    |                               |                             |                            |                             |                   |                   |
|-----------------------------|------------------|-----------------|-----------------|------------------|-------------------------|------------------------------------|-------------------------------|-----------------------------|----------------------------|-----------------------------|-------------------|-------------------|
| INFLOWS                     | 1 day            | 2-7 days        | 8-14 days       | 15-30 days       | 31 days & upto 2 months | More than 2 months & upto 3 months | Over 3 months & upto 6 months | Over 6 months & upto 1 year | Over 1 year & upto 3 years | Over 3 years & upto 5 years | Over 5 years      | TOTAL             |
| 1 Cash                      | 18500.90         | 7.39            | 0.00            | 0.00             | 0.00                    | 0.00                               | 0.00                          | 0.00                        | 0.00                       | 0.00                        | 0.00              | 18508.29          |
| 2 Balances with RBI         | 1704.81          | 3858.64         | 1995.57         | 2979.06          | 3624.41                 | 2767.16                            | 8223.58                       | 45122.06                    | 56408.04                   | 20390.28                    | 59693.07          | 206766.68         |
| 3 Balances with other Banks | 56847.05         | 32801.23        | 4209.43         | 1246.66          | 3229.18                 | 1318.57                            | 1816.34                       | 1410.51                     | 2949.75                    | 20.25                       | 294.27            | 106143.25         |
| 4 Investments               | 18259.13         | 5574.31         | 3255.20         | 14663.54         | 21381.27                | 30282.37                           | 49180.78                      | 111058.75                   | 321949.83                  | 215544.59                   | 925842.73         | 1716992.49        |
| 5 Advances                  | 37784.41         | 2651.458        | 26245.86        | 64061.42         | 89754.32                | 60627.77                           | 196673.36                     | 264976.11                   | 1467977.00                 | 563188.43                   | 1006721.31        | 3804524.60        |
| 6 Fixed Assets              | 0.01             | 0.00            | 0.00            | 7.50             | 15.00                   | 15.00                              | 15.04                         | 90.01                       | 183.70                     | 4.92                        | 43613.48          | 43944.66          |
| 7 Other Assets              | 4697.86          | 18861.85        | 11560.84        | 17485.44         | 12030.37                | 13383.59                           | 16934.05                      | 83982.94                    | 144703.42                  | 50172.31                    | 83080.99          | 456893.67         |
| <b>TOTAL</b>                | <b>137794.17</b> | <b>87618.01</b> | <b>47266.90</b> | <b>100443.62</b> | <b>130034.55</b>        | <b>108394.47</b>                   | <b>272843.15</b>              | <b>506640.39</b>            | <b>1994171.74</b>          | <b>849320.78</b>            | <b>2119245.86</b> | <b>6353773.64</b> |

\*Notes:

- i) Insurance entities, Non-financial entities, JVs, Special Purpose Vehicles & Intra-group Adjustments are excluded.
- ii) Investments include Non-Performing Investments and Advances includes Non-Performing Advances.
- iii) The Bucketing structure has been revised based on the RBI guidelines dated 23<sup>rd</sup> March 2016.

## PILLAR 3 DISCLOSURES

(Consolidated) as on 31.03.2024

### DF-4: CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

As on 31<sup>st</sup> March 2024

#### Disclosures for Portfolios subject to Standardised Approach

##### Qualitative Disclosures

##### ▪ Names of Credit Rating Agencies used, plus reasons for any changes

- (a) As per RBI Guidelines, the Bank has identified CARE, CRISIL, ICRA, India Rating, Brickwork\*, ACUITE Ratings and Research and INFOMERICs (Domestic Credit Rating Agencies) and FITCH, Moody's and S&P (International Rating Agencies) as approved Rating Agencies, for the purpose of rating Domestic and Overseas Exposures, respectively, whose ratings are used for the purpose of computing Risk-weighted Assets and Capital Charge.

##### ▪ Types of exposures for which each Agency is used

- (i) For Exposures with a contractual maturity of less than or equal to one year (except Cash Credit, Overdraft and other Revolving Credits), Short-term Ratings given by approved Rating Agencies are used.
- (ii) For Cash Credit, Overdraft and other Revolving Credits (irrespective of the period) and for Term Loan exposures of over 1 year, Long Term Ratings are used.

##### ▪ Description of the process used to transfer Public Issue Ratings onto comparable assets in the Banking Book

- The key aspects of the Bank's external ratings application framework are as follows:
- All long term and short term ratings assigned by the credit rating agencies specifically to the Bank's long term and short term exposures respectively are considered by the Bank as issue specific ratings.
- Foreign sovereign and foreign bank exposures are risk-weighted based on issuer ratings assigned to them.
- The Bank ensures that the external rating of the facility/borrower has been reviewed at least once by the ECAI during the previous 15 months and is in force on the date of its application.
- Where multiple issuer ratings are assigned to an entity by various credit rating agencies, the risk weight is determined as follows:
  - If there is only one rating by a chosen credit rating agency for a particular claim, then that rating is used to determine the risk weight of the claim.
  - If there are two ratings accorded by chosen credit rating agencies, which map into different risk weights, the higher risk weight is applied.
  - If there are three or more ratings accorded by chosen credit rating agencies with different risk weights, the ratings corresponding to the two lowest risk weights are referred to and the higher of those two risk weights is applied, i.e., the second lowest risk weight.

\*The Securities and Exchange Board of India has cancelled the Certificate of Registration (CoR) granted to Brickwork Ratings India Private Limited as a Credit Rating Agency (CRA), vide Order WTM/ASB/MIRSD/MIRSD\_CRADT/20175/2022-23 dated 6<sup>th</sup> October 2022.

2. In view of the above, Regulated Entities/ Market Participants are advised by RBI, in respect of ratings/credit evaluations required in terms of any guidelines issued by them, no such fresh ratings/evaluations shall be obtained from the above-mentioned rating agency with immediate effect. The instructions regarding the prudential treatment of the existing ratings issued by the rating agency shall be advised separately



## Quantitative Disclosures as on 31<sup>st</sup> March 2024

- (b) For exposure amounts after risk mitigation subject to the Standardised Approach, amount of group's outstanding (rated and unrated) in each risk bucket as well as those that are deducted.

|                            | Amount            |
|----------------------------|-------------------|
| Below 100% Risk Weight     | 3009607.47        |
| 100% Risk Weight           | 573697.67         |
| More than 100% Risk Weight | 808943.90         |
| Deducted                   | 0.00              |
| <b>Total</b>               | <b>4392249.03</b> |

## DF-5: CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

As on 31<sup>st</sup> March 2024

### Credit Risk Mitigation: Disclosures for Standardised Approach

#### (a) Qualitative Disclosures

- **Policies and processes for, and an indication of the extent to which the bank makes use of, on- and off-balance sheet netting**

On-balance sheet netting is confined to loans/advances and deposits, where the Bank have legally enforceable netting arrangements, involving specific lien with proof of documentation. The Bank calculates capital requirements on the basis of net credit exposures subject to the following conditions:

Where bank,

- a) has a well-founded legal basis for concluding that the netting or offsetting agreement is enforceable in each relevant jurisdiction regardless of whether the counterparty is insolvent or bankrupt.
- b) is able at any time to determine the loans/advances and deposits with the same counterparty that are subject to the netting agreement; and
- c) monitors and controls the relevant exposures on a net basis, it may use the net exposure of loans/advances and deposits as the basis for its capital adequacy calculation. Loans/advances are treated as exposure and deposits as collateral.

- **Policies and Processes for Collateral Valuation and Management**

The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Part B of this policy deals with Credit Risk Mitigation and Collateral Management, addressing the Bank's approach towards the credit risk mitigants used for capital calculation.

The objective of this Policy is to enable classification and valuation of credit risk mitigants in a manner that allows regulatory capital adjustment to reflect them.

The Policy adopts the Comprehensive Approach, which allows full offset of collateral (after appropriate haircuts), wherever applicable against exposures, by effectively reducing the exposure amount by the value ascribed to the collateral. The following issues are addressed in the Policy:

- (i) Classification of credit risk-mitigants
- (ii) Acceptable credit risk-mitigants
- (iii) Documentation and legal process requirements for credit risk-mitigants
- (iv) Valuation of collateral
- (v) Margin and Haircut requirements
- (vi) External ratings

## PILLAR 3 DISCLOSURES

(Consolidated) as on 31.03.2024

- (vii) Custody of collateral
- (viii) Insurance
- (ix) Monitoring of credit risk mitigants
- (x) General guidelines.

### ▪ **Description of the main types of collateral taken by the Bank**

The following collaterals are usually recognised as Credit Risk Mitigants under the Standardised Approach:

- Cash or Cash equivalent (Bank Deposits/NSCs/KVP/LIC Policy, etc.)
- Gold
- Securities issued by Central / State Governments

Debt Securities rated BBB- or better A3 for Short-Term Debt Instrument

### ▪ **Main types of Guarantor Counterparty and their creditworthiness**

The Bank accepts the following entities as eligible guarantors, in line with RBI guidelines:

- Sovereign, Sovereign entities [including Bank for International Settlements (BIS), International Monetary Fund (IMF), European Central Bank and European Community as well as Multilateral Development Banks, Export Credit & Guarantee Corporation (ECGC) and Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)], Public Sector Enterprises (PSEs), Banks and Primary Dealers with a lower risk weight than the counterparty.
- Other guarantors having an external rating of AA or better. In case the guarantor is a parent company, affiliate, or subsidiary, they should enjoy a risk weight lower than the obligor for the guarantee to be recognised by the Bank. The rating of the guarantor should be an entity rating which has factored in all the liabilities and commitments (including guarantees) of the entity.

### **Information about (Market or Credit) risk concentrations within the mitigation taken:**

The Bank has a well-dispersed portfolio of assets which are secured by various types of collaterals, such as: -

- Eligible financial collaterals listed above
- Guarantees by sovereigns and well-rated corporates,
- Fixed assets and current assets of the counterparty.

## Quantitative Disclosures as on 31<sup>st</sup> March 2024

|                                                                                                                                                                                                                            | (₹ In Crore) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| (b) For each separately disclosed credit risk portfolio the total exposure (after, where applicable, on- or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts. | 426562.69    |
| (c) For each separately disclosed portfolio the total exposure (after, where applicable, on- or off-balance sheet netting) that is covered by guarantees/credit derivatives (whenever specifically permitted by RBI)       | 142483.22    |

## DF-6: SECURITISATION EXPOSURES: DISCLOSURE FOR STANDARDISED APPROACH

As on 31<sup>st</sup> March 2024

### Qualitative Disclosures

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>(a)</b> The general qualitative disclosure requirement with respect to securitisation including a discussion of:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                 |
| The bank's objectives in relation to securitisation activity, including the extent to which these activities transfer credit risk of the underlying securitised exposures away from the bank to other entities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | The Bank's investment in securitisation assets (PTCs & PSLCs) with an object to optimise returns while adhering to Banks' risk appetite, ensure liquidity and to meet priority sector requirements of the Bank. |
| The nature of other risks (e.g. liquidity risk, pipeline and warehousing risk) inherent in securitised assets;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Credit Risk, Liquidity Risk, Interest Rate Risk, Prepayment Risk, Performance/ Servicer Risk.                                                                                                                   |
| The various roles played by the bank in the securitisation process (For example: originator, investor, servicer, provider of credit enhancement, liquidity provider, swap provider@, protection provider#) and an indication of the extent of the bank's involvement in each of them;<br>@ A bank may have provided support to a securitisation structure in the form of an interest rate swap or currency swap to mitigate the interest rate/currency risk of the underlying assets, if permitted as per regulatory rules.<br># A bank may provide credit protection to a securitisation transaction through guarantees, credit derivatives or any other similar product, if permitted as per regulatory rules. | Investor: The Bank invests in PTCs & PSLCs backed by financial assets.                                                                                                                                          |
| A description of the processes in place to monitor changes in the credit and market risk of securitisation exposures (for example, how the behaviour of the underlying assets impacts securitisation exposures as defined in para 5.16.1 of the Master Circular on NCAF dated 1 <sup>st</sup> July 2012).                                                                                                                                                                                                                                                                                                                                                                                                        | Bank has invested in securitisation product. Bank monitors rating migration and provides capital charge on the securitisation exposure.                                                                         |
| A description of the bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitisation exposures;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | As per Bank's internal guidelines                                                                                                                                                                               |
| <b>(b)</b> Summary of the bank's accounting policies for securitisation activities, including:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                 |
| Whether the transactions are treated as sales or financings;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Financing                                                                                                                                                                                                       |
| Methods and key assumptions (including inputs) applied in valuing positions retained or purchased                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | As per FIMMDA guidelines                                                                                                                                                                                        |
| Changes in methods and key assumptions from the previous period and impact of the changes;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Not Applicable                                                                                                                                                                                                  |
| Policies for recognising liabilities on the balance sheet for arrangements that could require the bank to provide financial support for securitised assets.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Not Applicable                                                                                                                                                                                                  |
| Details of Sponsorship of Off-balance sheet vehicles.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Nil                                                                                                                                                                                                             |
| Valuation with regards to securitisation exposure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | As per FIMMDA guidelines                                                                                                                                                                                        |
| <b>(c)</b> In the banking book, the names of ECAs used for securitisations and the types of securitisation exposure for which each agency is used.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Not Applicable                                                                                                                                                                                                  |

### Quantitative Disclosures: Banking Book

|                                                                                                                                                                                                              |                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>(d)</b> The total amount of exposures securitised by the bank.                                                                                                                                            | Nil            |
| <b>(e)</b> For exposures securitised losses recognised by the bank during the current period broken by the exposure type (e.g. Credit cards, housing loans, auto loans etc. detailed by underlying security) | Nil            |
| <b>(f)</b> Amount of assets intended to be securitised within a year                                                                                                                                         | Nil            |
| <b>(g)</b> Of (f), amount of assets originated within a year before securitisation.                                                                                                                          | Not Applicable |
| <b>(h)</b> The total amount of exposures securitised (by exposure type) and unrecognised gain or losses on sale by exposure type.                                                                            | Nil            |
| <b>(i)</b> Aggregate amount of:                                                                                                                                                                              |                |
| On-balance sheet securitisation exposures retained or purchased broken down by exposure type and                                                                                                             | Nil            |
| Off-balance sheet securitisation exposures broken down by exposure type                                                                                                                                      | Nil            |

## PILLAR 3 DISCLOSURES

(Consolidated) as on 31.03.2024

|     |                                                                                                                                                                                                                                    |     |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| (j) | Aggregate amount of securitisation exposures retained or purchased and the associated capital charges, broken down between exposures and further broken down into different risk weight bands for each regulatory capital approach | Nil |
|     | Exposures that have been deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type).                                             | Nil |

### Quantitative Disclosures: Trading Book

|     |                                                                                                                                                                                                 |                 |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| (k) | Aggregate amount of exposures securitised by the bank for which the bank has retained some exposures and which is subject to the market risk approach, by exposure type.                        | Nil             |
| (l) | Aggregate amount of:                                                                                                                                                                            |                 |
|     | On-balance sheet securitisation exposures retained or purchased broken down by exposure type; and                                                                                               | ₹5,585.98 Crore |
|     | Off-balance sheet securitisation exposures broken down by exposure type.                                                                                                                        | Nil             |
| (m) | Aggregate amount of securitisation exposures retained or purchased separately for:                                                                                                              | Nil             |
|     | Securitisation exposures retained or purchased subject to Comprehensive Risk Measure for specific risk; and                                                                                     | Nil             |
|     | Securitisation exposures subject to the securitisation framework for specific risk broken down into different risk weight bands.                                                                | Nil             |
| (n) | Aggregate amount of:                                                                                                                                                                            |                 |
|     | The capital requirements for the securitisation exposures, subject to the securitisation framework broken down into different risk weight bands.                                                | ₹244.20 Crore   |
|     | Securitisation exposures that are deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type). | Nil             |

#### (o) Details of Securitisation exposure in the Banking Book: Nil

#### (p) Details of Securitisation exposure in the Trading Book:

##### i. Securitisation exposures retained or purchased as on 31<sup>st</sup> March 2024

| (₹ In Crore)               |                  |                   |                 |
|----------------------------|------------------|-------------------|-----------------|
| Exposure type <sup>1</sup> | On-balance sheet | Off-balance sheet | Total           |
| Vehicle/equipment loans    | ₹5363.33         | Nil               | ₹5363.33        |
| Home loans                 | Nil              | Nil               | Nil             |
| Personal loans             | 7.47             | Nil               | 7.47            |
| Unsecured loans            | ₹215.18          | Nil               | ₹215.18         |
| Gold/Jewel loans           | Nil              | Nil               | Nil             |
| Corporate loans            | Nil              | Nil               | Nil             |
| Others                     | Nil              | Nil               | Nil             |
| <b>Total</b>               | <b>₹5585.98</b>  | <b>Nil</b>        | <b>₹5585.98</b> |

1. Securitisation exposures include PTCs originated by the Bank as well as PTCs purchased in case of third party originated securitisation transactions.

##### ii. Details of Risk weights band break-up of securitisation exposure as on 31<sup>st</sup> March 2024

| (₹ In Crore)                |                   |                  |                   |               |
|-----------------------------|-------------------|------------------|-------------------|---------------|
|                             | <100% risk weight | 100% risk weight | >100% risk weight | Total         |
| Exposure                    | 5,585.98          | -                | -                 | 5,585.98      |
| <b>Total capital charge</b> | <b>244.20</b>     | <b>-</b>         | <b>-</b>          | <b>244.20</b> |

## DF-7: MARKET RISK IN TRADING BOOK

As on 31<sup>st</sup> March 2024

### (a) QUALITATIVE DISCLOSURES:

- (1) The Bank follows Standardised Measurement Method (SMM) for computing capital requirement for Market Risk.
- (2) Market Risk Management Department (MRMD) is functioning as a part of Risk Management Department of the Bank, in terms of Governance structure approved by the Board of the Bank.
- (3) MRMD is responsible for identification, assessment, monitoring and reporting of market risk associated with Treasury Operations.
- (4) The following Board approved policies with defined Market Risk Management parameters for each asset class are in place:
  - (a) Market Risk Management Policy
  - (b) Market Risk Limits Policy
  - (c) Investment Policy
  - (d) Trading Policy
  - (e) Stress Test Policy for Market Risk
- (5) Risk monitoring is an ongoing process and risk positions are analysed and reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.
- (6) Risk management and reporting is based on parameters such as Modified Duration, Convexity, PV01, Option Greeks, Maximum permissible exposures, Value at Risk Limits, Concentration Risk Limits, Lower and upper management Action Triggers, in line with global best practices.
- (7) Forex Open position limit (Daylight/Overnight), Stop Loss Limit, Aggregate Gap Limit (AGL), Individual Gap Limit (IGL) as approved by the Board is monitored and exceptions, if any, is reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.
- (8) Value at Risk (VaR) computation and Back-Testing of VaR number is carried out on daily basis. Market Risk Stress Testing is carried out at quarterly intervals as a complement to Value at Risk. Results are reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.
- (9) Respective Foreign offices monitor market risk of their investment portfolio, as per the local regulatory and RBI stipulations. Further, Stop Loss limit for individual investments and exposure limits for certain portfolios have been prescribed.
- (10) Bank has submitted Letter of Intent (LOI) to RBI to migrate to advanced approach i.e. Internal Models Approach for calculating capital charge for market risk.

### (b) QUANTITATIVE DISCLOSURES:

#### CAPITAL CHARGE ON MARKET RISK

The Bank maintains Capital Charge for Market Risk under the Standardised measurement method as under.

|                                            |  | (₹ In Crore)    |
|--------------------------------------------|--|-----------------|
| Category                                   |  | Total           |
| Interest rate Risk (including Derivatives) |  | 18801.14        |
| Equity Position Risk                       |  | 15916.69        |
| Foreign Exchange Risk                      |  | 1005.86         |
| <b>Total</b>                               |  | <b>35723.69</b> |

## PILLAR 3 DISCLOSURES

(Consolidated) as on 31.03.2024

### DF-8: OPERATIONAL RISK

As on 31<sup>st</sup> March 2024

#### Qualitative disclosures

##### A. The structure and organisation of Operational Risk Management function

- Operational Risk Management Department functions in SBI as part of the Integrated Risk Governance Structure under the control of respective Chief Risk Officer. In SBI, Chief Risk Officer reports to Risk Management Committee of the Board (RMCB).
- The operational risk related issues in other Group entities are being dealt with as per the requirements of the business model and their regulators under the overall control of Chief Risk Officers of respective entities.
- Policies for control and mitigation of Operational Risk in SBI.

##### Domestic Banking Entities (SBI)

The following Policies, Framework Documents and Manuals are in place in SBI:

##### Policies and Framework Documents

- Operational Risk Management policy encompasses Operational Risk Management Framework for systematic and proactive identification, assessment, measurement, monitoring, mitigation and reporting of the Operational Risks.
- Loss Data Management Policy.
- IT Policy and Standards.
- IT Procedures and Guidelines.
- Cyber Security Policy.
- Information Security Policy.
- Business Continuity and Operational Resilience (BC& OR) Policy.
- SBGITC Business Continuity Management System (BCMS) Policy.
- Policy on Know Your Customer (KYC) Standards and Anti Money Laundering (AML)/ Combating of Financing of Terrorism Measures.
- Policy on Fraud Risk Management.
- IT Outsourcing and Procurement Policy.
- Policy on Insurance.

##### Manuals

- Operational Risk Management Manual.
- Loss Data Management Manual.
- Business Continuity and Operational Resilience (BC& OR) Manual.
- Business Continuity Management System (BCMS) Plan.

##### Domestic Non-Banking and Overseas Banking entities

Policies and Manuals, as relevant to the business model of non-Banking entities and as per the requirements of the overseas regulators in respect of Overseas Banking subsidiaries are in place. A few of the policies in place are – Disaster Recovery Plan/ Business Continuity Plan, Incident Reporting Mechanism, Near Miss Events Reporting Mechanism, Outsourcing Policy, etc.

## B. Strategies and Processes

### Domestic Banking entities (SBI)

- To successfully embed the risk culture and operational risk management, Risk Management Committees at various levels at Circles like RMCAOs, RMCCs, and RMCs at the Business and Support Groups (RMC-RB & O, RMC-IBG, RMC-GMU, RMC-CAG, RMC-CCG, RMC-SARG & RMC-IT) are in place in addition to the Operational Risk Management Committee (ORMC) and the Risk Management Committee of the Board (RMCB).
- The process of building a comprehensive database of internal and external losses due to Operational Risks as per Basel defined 8 Business Lines and 7 Loss Event Types is in place. In addition, Near Miss Events and external losses are also captured to improve risk management practices.
- Risk and Control Self-Assessment (RCSA) is a proactive exercise conducted in workshop-based manner to identify gaps, if any, in the existing controls and suggestions are invited for improvement of System & Controls to mitigate the Risks. RCSA also helps in generating risk awareness among staff members. RCSA exercise is carried out across Bank Branches, CPCs and Offices on a yearly basis. Bank also conducts theme based RCSA for Products /Processes. Based on the RCSA exercise, Mitigation plans are prepared and implemented for activities rated as High & Critical Risks. Feasibility study is carried out by Business owners for suggestions emanated during RCSA exercise for further improvement of System & Controls in the Bank.
- Key Indicators (KIs) have been identified across the Business and Support Groups with threshold and monitoring mechanism is in place. KIs are being monitored at quarterly intervals by the RMCs, the ORMC and the RMCB. Top 10 KIs have been identified during current financial year for close follow up.
- Development of internal systems for quantifying and monitoring operational risk as required under Basel II guidelines is in place.

### Others

The following measures are being used to control and mitigate Operational Risks in the Domestic Banking entities:

- "Book of Instructions" (Manual on General Instructions, Manual on Loans & Advances) which contains detailed procedural guidelines for processing various banking transactions. Amendments and modifications to update these guidelines are being carried out regularly through e-circulars/Master circulars. Guidelines and instructions are also propagated through e-Circulars, E-Learning Lessons, Training Programs, etc.
- Updated Manuals and operating instructions relating to Business Process Re-engineering (BPR) units.
- Delegation of Financial powers, which details sanctioning powers of various levels of officials for different types of financial and non-financial transactions.
- Training of staff-Inputs on Operational Risk is included as a part of Risk Management modules in the trainings conducted for various categories of staff at Bank's Apex Training Institutes and State Bank Institute of Learning and Development.
- Insurance cover is obtained for most of the potential operational risks excluding frauds, as per Bank's policy on insurance.
- Internal Auditors are responsible for the examination and evaluation of the adequacy and effectiveness of the control systems and the functioning of specific control procedures. They also conduct review of the existing systems to ensure compliance with legal and regulatory requirements, codes of conduct and the implementation of policies and procedures.
- In order to ensure business continuity, resumption and recovery of critical business process after a disaster, the Bank has robust Business Continuity and Operational Resilience Policy and Manuals in place.
- Stringent Implementation of vacation policy.

### Domestic Non-Banking and Overseas Banking entities

Adequate measures by way of systems and procedures and reporting have been put in place in the Domestic Non-Banking and Overseas Banking entities.

## PILLAR 3 DISCLOSURES

(Consolidated) as on 31.03.2024

### **C. The scope and nature of Risk Reporting and Measurement Systems**

- A system of prompt submission of reports on Frauds is in place in all the Group entities.
- A comprehensive system of Preventive Vigilance & Whistle Blowing has been established in all the Group entities.
- Significant risks thrown up in RCSA/RCSA-Abridged exercise at all Branches, Scenario Analysis and loss data/NMEs analysis are reported to Top Management at regular intervals and corrective actions are initiated on an ongoing basis.
- Basic Indicator Approach with capital charge of 15% of average gross income for previous 3 years is applied for Operational Risk, except Insurance Companies, for the year ended 31<sup>st</sup> March 2024.
- RBI has issued Master Guidelines on 26<sup>th</sup> June 2023 for implementation of revised Basel III Standardised Approach (SA) and proposed to replace all existing approaches for calculating Operational Risk capital. However, the effective date of implementation of these directions shall be communicated subsequently by RBI. Until then, the minimum operational risk regulatory capital requirements shall be computed as per Basic Indicator Approach (BIA) in accordance with the instructions contained in 'Master Circular – Basel III Capital Regulations' issued vide RBI circular dated 1<sup>st</sup> April 2024, as amended from time to time.



## DF-9: INTEREST RATE RISK IN BANKING BOOK (IRRBB)

As on 31<sup>st</sup> March 2024

### 1. Qualitative Disclosures

Interest rate risk refers to impact on Bank's Net Interest Income and the value of its assets and liabilities arising from fluctuations in interest rate due to internal and external factors. Internal factors include the composition of the Bank's assets and liabilities, quality, maturity, existing rates and re-pricing period of deposits, borrowings, loans and investments. External factors cover general economic conditions. Rising or falling interest rates impact the Bank depending on whether the Balance Sheet is asset sensitive or liability sensitive. The Bank identifies the inherent risks associated with the changing interest rates on its on-balance sheet and off-balance sheet exposures in the banking book from both a short-term and long-term perspective.

#### 1.1 Structure and organisation

The Asset-Liability Management Committee (ALCO) is responsible for evolving appropriate systems and procedures for ongoing identification and analysis of Balance Sheet risks and laying down parameters for efficient management of these risks through ALM Policy of the Bank. ALCO, therefore, periodically monitors and controls the risks and returns, funding and deployment, setting Bank's lending and deposit rates, and directing the investment activities of the Bank. The Risk Management Committee of the Board of Directors (RMCB) oversees the implementation of the system for ALM and reviews its functioning periodically and provides direction. It reviews various decisions taken by ALCO for managing interest rate risk.

#### 1.2 Scope and nature of risk reporting and measurement systems

RBI has stipulated monitoring of Interest Rate Risk at monthly intervals through a Statement of Interest Rate Sensitivity under Traditional Gap Analysis (IRS-TGA). Accordingly, ALCO reviews IRS-TGA on monthly basis and monitors the Earnings at Risk (EaR) which measures the change in Net Interest Income of the Bank due to parallel change in interest rate on both the assets & liabilities.

RBI has also stipulated to estimate the impact of change in interest rates on economic value of Bank's assets and liabilities through Interest Rate Sensitivity under Duration Gap Analysis (IRS-DGA), which Bank carries out on monthly basis. The impact of interest rate changes on the Market Value of Equity is monitored through IRS-DGA by recognising the changes in the value of assets and liabilities by a given change in the market interest rate. The change in value of equity (including reserves) with 2% parallel shift in interest rates for both assets and liabilities is estimated.

**EaR:** The immediate impact of changes in interest rates is on Bank's earnings through changes in its Net Interest Income (NII). EaR is useful in calculating the impact of the change in interest rate on the NII for a shorter period of time (impact over a one-year period). The EaR computations include the banking book as well as the trading book.

**MVE:** A long-term impact of changes in interest rates is on Bank's Market Value of Equity (MVE) or Net Worth through changes in the economic value of its liabilities and off-balance sheet positions. Although these changes in value do not pass through earnings, they have a bearing on Bank's capital position.

The Bank uses MVE approach as part of a framework to manage IRRBB for its domestic and foreign operations. Impact on MVE is assessed for the overall Bank and Banking Book separately. In order to effectively monitor and manage IRRBB, the ALM Policy stipulates separate MVE limits for overall Bank and Banking Book.

#### 1.3 Policies for hedging and mitigating risk

The Bank has a policy for undertaking hedge transactions. Depending on the underlying and prevailing market conditions, the Bank enters into hedge transactions for identified assets or liabilities. Derivative instruments like Interest Rate Swaps, OIS, Forward Rate Agreements and Cross Currency Swaps are used as a hedging technique by the Bank.

## PILLAR 3 DISCLOSURES

(Consolidated) as on 31.03.2024

### 2. Quantitative Disclosures

- 2.1** The following table sets forth, estimated impact on NII due to changes in interest rates on interest sensitive positions as on 31<sup>st</sup> March 2024, assuming a parallel shift in the yield curve.

#### Earnings at Risk (EaR)

|                                                                                                           | (₹ in Crore)  |
|-----------------------------------------------------------------------------------------------------------|---------------|
|                                                                                                           | Impact on NII |
| Impact of 100 bps parallel shift in interest rate on both assets & liability on Net Interest Income (NII) | 9,047.48      |
| Impact of 200 bps parallel shift in interest rate on both assets & liability on Net Interest Income (NII) | 18,095.05     |

- 2.2** The following table sets forth, estimated impact on MVE due to changes in interest rates on interest sensitive positions as on 31<sup>st</sup> March 2024, assuming a parallel shift in the yield curve.

#### Market Value of Equity (MVE)

|                                                                                                                             | (₹ in Crore)  |
|-----------------------------------------------------------------------------------------------------------------------------|---------------|
|                                                                                                                             | Impact on MVE |
| Impact of 100 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE) - Banking Book | 12,919.83     |
| Impact of 200 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE) - Banking Book | 25,839.66     |

## DF-10: GENERAL DISCLOSURE FOR EXPOSURE RELATED TO COUNTERPARTY CREDIT RISK

As on 31<sup>st</sup> March 2024

### Qualitative Disclosure:

Credit Risk Management Department of the Bank uses scoring models for setting limits for amounts of counterparty exposure for Domestic Banks, Foreign Banks, Development Financial Institution, Primary Dealers, Small Finance Banks & Payment Banks.

Credit Risk Management Department allocates the exposure limits to all business units, viz., CAG, CCG, R&DB, Global Markets & IBG, who in turn allocate the limits among various operating units under their respective control.

Classification and recognition of collaterals

The Bank will accept, recognise and attribute value to collateral, both for internal sanctioning and/or regulatory capital relief purposes, only when the following conditions are fulfilled:

- There is a legal certainty of enforceability and effectiveness of collateral in all relevant jurisdictions.
- All contractual and statutory requirements with respect to the loan and collateral documentation are fulfilled.
- The Bank has obtained a legal charge to the said collateral (including second/subordinate or paripassu charges, in addition to first legal charge).
- The legal mechanism by which the collateral is pledged or transferred ensures that the Bank has the right to liquidate or take possession of it in a timely manner, in the event of a default, insolvency or bankruptcy on the part of the counterparty or any third party.
- The Bank has clear and robust procedures for the timely liquidation of collateral to ensure that any legal conditions required for declaring the default of the counterparty and liquidating the collateral are fulfilled and collateral can be liquidated promptly.

For the purposes of eligibility for IRB capital computation, collaterals are required to satisfy all operational criteria outlined in RBI IRB guidelines.

Counterparty Credit Risk is the risk that the counterparty to a derivative transaction can default before the final settlement of the transaction's cash flow. To mitigate this risk, derivative transactions are undertaken only with those counterparties where approved counterparty limits are in place. Counterparty limits for banks are assessed using internal models considering a number of financial parameters like networth, capital adequacy ratio, rating etc. For corporates, the Derivatives limits are assessed and sanctioned in conjunction with regular credit limit as part of regular appraisal.

## Quantitative Disclosure:

| (₹ In Crore)                                         |                   |                         |                                              |
|------------------------------------------------------|-------------------|-------------------------|----------------------------------------------|
| Distribution of Notional and Current Credit Exposure | Notional          | Current credit exposure | Exposure under Current Exposure Method (CEM) |
| a) Interest rate Swaps                               | 662479.99         | 3322.23                 | 9220.57                                      |
| b) Cross Currency Swaps                              | 123745.58         | 1849.74                 | 9717.46                                      |
| c) Currency Options                                  | 130420.56         | 205.59                  | 4107.78                                      |
| d) Foreign Exchange Contracts                        | 1196742.71        | 3837.18                 | 33067.29                                     |
| e) Currency Futures                                  | -                 | -                       | -                                            |
| f) Forward Rate Agreements                           | -                 | -                       | -                                            |
| g) Others (please specify product name) - NDF        | 81187.20          | 224.36                  | 1848.11                                      |
| <b>Total</b>                                         | <b>2194576.04</b> | <b>9439.10</b>          | <b>57961.21</b>                              |
| Credit Derivative transactions                       | NIL               |                         |                                              |

## DF-11: COMPOSITION OF CAPITAL

As on 31<sup>st</sup> March 2024

| (₹ in Crore)                                                                     |                                                                                                                                                                                                                                                                     |                  |                                                 |
|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------------------------------------|
| Basel III common disclosure template to be used from 31 <sup>st</sup> March 2017 |                                                                                                                                                                                                                                                                     |                  |                                                 |
| Common Equity Tier 1 capital: instruments and reserves                           |                                                                                                                                                                                                                                                                     |                  | Ref No.<br>(with respect to<br>DF - 12: Step 2) |
| 1                                                                                | Directly issued qualifying common share capital plus related stock surplus (share premium)                                                                                                                                                                          | 80007.94         | A1 + B3                                         |
| 2                                                                                | Retained earnings                                                                                                                                                                                                                                                   | 260048.9         | B1 + B2 + B7 +<br>B8 + B9 (#)                   |
| 3                                                                                | Accumulated other comprehensive income (and other reserves)                                                                                                                                                                                                         | 23729.02         | B5 * 75% + B6 *<br>45%                          |
| 4                                                                                | Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)                                                                                                                                                               | 0                |                                                 |
| 5                                                                                | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)                                                                                                                                                                | 3004.24          |                                                 |
| 6                                                                                | <b>Common Equity Tier 1 capital before regulatory adjustments</b>                                                                                                                                                                                                   | <b>366790.10</b> |                                                 |
| Common Equity Tier 1 capital: regulatory adjustments                             |                                                                                                                                                                                                                                                                     |                  |                                                 |
| 7                                                                                | Prudential valuation adjustments                                                                                                                                                                                                                                    | 1633.17          |                                                 |
| 8                                                                                | Goodwill (net of related tax liability)                                                                                                                                                                                                                             | 1405.96          | D                                               |
| 9                                                                                | Intangibles (net of related tax liability)                                                                                                                                                                                                                          | 0                |                                                 |
| 10                                                                               | Deferred Tax Assets                                                                                                                                                                                                                                                 | 30.31            |                                                 |
| 11                                                                               | Cash-flow hedge reserve                                                                                                                                                                                                                                             | 0                |                                                 |
| 12                                                                               | Shortfall of provisions to expected losses                                                                                                                                                                                                                          | 0                |                                                 |
| 13                                                                               | Securitisation gain on sale                                                                                                                                                                                                                                         | 0                |                                                 |
| 14                                                                               | Gains and losses due to changes in own credit risk on fair valued liabilities                                                                                                                                                                                       | 0                |                                                 |
| 15                                                                               | Defined-benefit pension fund net assets                                                                                                                                                                                                                             | 0                |                                                 |
| 16                                                                               | Investments in own shares (if not already netted off paid-up capital on reported balance sheet)                                                                                                                                                                     | 163.31           |                                                 |
| 17                                                                               | Reciprocal cross-holdings in common equity                                                                                                                                                                                                                          | 3.05             |                                                 |
| 18                                                                               | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | 0                |                                                 |

## PILLAR 3 DISCLOSURES

(Consolidated) as on 31.03.2024

(₹ in Crore)

### Basel III common disclosure template to be used from 31<sup>st</sup> March 2017

#### Common Equity Tier 1 capital: instruments and reserves

Ref No.  
(with respect to  
DF - 12: Step 2)

|                                                          |                                                                                                                                                                                                                                                                                          |                  |
|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| 19                                                       | Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)                                                                            | 0                |
| 20                                                       | Mortgage servicing rights (amount above 10% threshold)                                                                                                                                                                                                                                   | 0                |
| 21                                                       | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)                                                                                                                                                                        | 0                |
| 22                                                       | Amount exceeding the 15% threshold                                                                                                                                                                                                                                                       | 0                |
| 23                                                       | of which: significant investments in the common stock of financial entities                                                                                                                                                                                                              | 0                |
| 24                                                       | of which: mortgage servicing rights                                                                                                                                                                                                                                                      | 0                |
| 25                                                       | of which: deferred tax assets arising from temporary differences                                                                                                                                                                                                                         | 0                |
| 26                                                       | National specific regulatory adjustments (26a+26b+26c+26d)                                                                                                                                                                                                                               | 1853.34          |
| 26a                                                      | of which: Investments in the equity capital of unconsolidated insurance subsidiaries                                                                                                                                                                                                     | 1809.35          |
| 26b                                                      | of which: Investments in the equity capital of unconsolidated non-financial subsidiaries                                                                                                                                                                                                 | 43.99            |
| 26c                                                      | of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank                                                                                                                                                            | 0                |
| 26d                                                      | of which: Unamortised pension funds expenditures                                                                                                                                                                                                                                         | 0                |
| 27                                                       | Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions                                                                                                                                                              | 0                |
| 28                                                       | <b>Total regulatory adjustments to Common equity Tier 1</b>                                                                                                                                                                                                                              | <b>5089.14</b>   |
| 29                                                       | <b>Common Equity Tier 1 capital (CET1)</b>                                                                                                                                                                                                                                               | <b>361700.96</b> |
| <b>Additional Tier 1 capital: instruments</b>            |                                                                                                                                                                                                                                                                                          |                  |
| 30                                                       | Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)                                                                                                                                                                              | 50626.40         |
| 31                                                       | of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)                                                                                                                                                                        | 0                |
| 32                                                       | of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)                                                                                                                                                                                   | 50626.40         |
| 33                                                       | Directly issued capital instruments subject to phase out from Additional Tier 1                                                                                                                                                                                                          | 0                |
| 34                                                       | Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)                                                                                                                                | 563.3            |
| 35                                                       | of which: instruments issued by subsidiaries subject to phase out                                                                                                                                                                                                                        | 0                |
| 36                                                       | <b>Additional Tier 1 capital before regulatory adjustments</b>                                                                                                                                                                                                                           | <b>51189.7</b>   |
| <b>Additional Tier 1 capital: regulatory adjustments</b> |                                                                                                                                                                                                                                                                                          |                  |
| 37                                                       | Investments in own Additional Tier 1 instruments                                                                                                                                                                                                                                         | 0                |
| 38                                                       | Reciprocal cross-holdings in Additional Tier 1 instruments                                                                                                                                                                                                                               | 155.00           |
| 39                                                       | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold) | 0                |
| 40                                                       | Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)                                                                                                             | 0                |
| 41                                                       | National specific regulatory adjustments (41a+41b)                                                                                                                                                                                                                                       | 0                |
| 41a                                                      | of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries                                                                                                                                                                                          | 0                |
| 41b                                                      | of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank                                                                                                                                                 | 0                |

**Basel III common disclosure template to be used from 31<sup>st</sup> March 2017****Common Equity Tier 1 capital: instruments and reserves****Ref No.  
(with respect to  
DF - 12: Step 2)**

|    |                                                                                                    |                  |
|----|----------------------------------------------------------------------------------------------------|------------------|
| 42 | Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | 0                |
| 43 | <b>Total regulatory adjustments to Additional Tier 1 capital</b>                                   | <b>155.00</b>    |
| 44 | <b>Additional Tier 1 capital (AT1)</b>                                                             | <b>51034.70</b>  |
| 45 | <b>Tier 1 capital (T1 = CET1 + AT1) (29 + 44)</b>                                                  | <b>412735.66</b> |

**Tier 2 capital: instruments and provisions**

|    |                                                                                                                                                                  |                 |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 46 | Directly issued qualifying Tier 2 instruments plus related stock surplus                                                                                         | 40171.00        |
| 47 | Directly issued capital instruments subject to phase out from Tier 2                                                                                             | 1352.49         |
| 48 | Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2) | 1684.91         |
| 49 | of which: instruments issued by subsidiaries subject to phase out                                                                                                | 0               |
| 50 | Provisions                                                                                                                                                       | 36344.12        |
| 51 | <b>Tier 2 capital before regulatory adjustments</b>                                                                                                              | <b>79552.52</b> |

**Tier 2 capital: regulatory adjustments**

|     |                                                                                                                                                                                                                                                                                              |                   |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| 52  | Investments in own Tier 2 instruments                                                                                                                                                                                                                                                        | 104.54            |
| 53  | Reciprocal cross-holdings in Tier 2 instruments                                                                                                                                                                                                                                              | 0                 |
| 54  | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) | 0                 |
| 55  | Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)                                                                                                                    | 14.21             |
| 56  | National specific regulatory adjustments (56a+56b)                                                                                                                                                                                                                                           | 0                 |
| 56a | of which: Investments in the Tier 2 capital of unconsolidated insurance subsidiaries                                                                                                                                                                                                         | 0                 |
| 56b | of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank                                                                                                                                                                | 0                 |
| 57  | <b>Total regulatory adjustments to Tier 2 capital</b>                                                                                                                                                                                                                                        | <b>118.75</b>     |
| 58  | <b>Tier 2 capital (T2)</b>                                                                                                                                                                                                                                                                   | <b>79433.77</b>   |
| 59  | <b>Total capital (TC = T1 + T2) (45 + 58)</b>                                                                                                                                                                                                                                                | <b>492169.43</b>  |
| 60  | <b>Total risk weighted assets (60a + 60b + 60c)</b>                                                                                                                                                                                                                                          | <b>3423514.85</b> |
| 60a | of which: total credit risk weighted assets                                                                                                                                                                                                                                                  | 2803289.38        |
| 60b | of which: total market risk weighted assets                                                                                                                                                                                                                                                  | 295237.14         |
| 60c | of which: total operational risk weighted assets                                                                                                                                                                                                                                             | 324988.33         |

**Capital ratios and buffers**

|    |                                                                                                                                                                                                                        |       |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| 61 | Common Equity Tier 1 (as a percentage of risk weighted assets)                                                                                                                                                         | 10.57 |
| 62 | Tier 1 (as a percentage of risk weighted assets)                                                                                                                                                                       | 12.06 |
| 63 | Total capital (as a percentage of risk weighted assets)                                                                                                                                                                | 14.38 |
| 64 | Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets) | 8.60  |
| 65 | of which: capital conservation buffer requirement                                                                                                                                                                      | 2.50  |
| 66 | of which: bank specific countercyclical buffer requirement                                                                                                                                                             | 0     |
| 67 | of which: D-SIB buffer requirement                                                                                                                                                                                     | 0.60  |
| 68 | Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)                                                                                                                               | 5.07  |

**National minima (if different from Basel III)**

# PILLAR 3 DISCLOSURES

(Consolidated) as on 31.03.2024

(₹ in Crore)

## Basel III common disclosure template to be used from 31<sup>st</sup> March 2017

### Common Equity Tier 1 capital: instruments and reserves

Ref No.  
(with respect to  
DF - 12: Step 2)

|    |                                                                                   |      |
|----|-----------------------------------------------------------------------------------|------|
| 69 | National Common Equity Tier 1 minimum ratio (if different from Basel III minimum) | 5.50 |
| 70 | National Tier 1 minimum ratio (if different from Basel III minimum)               | 7.00 |
| 71 | National total capital minimum ratio (if different from Basel III minimum)        | 9.00 |

### Amounts below the thresholds for deduction (before risk weighting)

|    |                                                                                       |          |
|----|---------------------------------------------------------------------------------------|----------|
| 72 | Non-significant investments in the capital of other financial entities                | 0        |
| 73 | Significant investments in the common stock of financial entities                     | 562.58   |
| 74 | Mortgage servicing rights (net of related tax liability)                              | 0.00     |
| 75 | Deferred tax assets arising from temporary differences (net of related tax liability) | 12066.84 |

### Applicable caps on the inclusion of provisions in Tier 2

|    |                                                                                                                                              |          |
|----|----------------------------------------------------------------------------------------------------------------------------------------------|----------|
| 76 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)           | 36344.12 |
| 77 | Cap on inclusion of provisions in Tier 2 under standardised approach                                                                         | 35041.12 |
| 78 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) | 0        |
| 79 | Cap for inclusion of provisions in Tier 2 under internal ratings-based approach                                                              | 0        |

### Capital instruments subject to phase-out arrangements (only applicable between 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2022)

|    |                                                                                         |    |
|----|-----------------------------------------------------------------------------------------|----|
| 80 | Current cap on CET1 instruments subject to phase out arrangements                       | 0  |
| 81 | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | 0  |
| 82 | Current cap on AT1 instruments subject to phase out arrangements                        | 0% |
| 83 | Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)  | 0  |
| 84 | Current cap on T2 instruments subject to phase out arrangements                         | 0% |
| 85 | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)   | 0  |

### Notes to the Template

| Row No. of the template | Particular                                                                                                                                                                           | (₹ in Crore) |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| 10                      | Deferred tax assets associated with accumulated losses                                                                                                                               | 30.31        |
|                         | Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability                                                                               | 12066.84     |
|                         | Total as indicated in row 10                                                                                                                                                         | 30.31        |
| 19                      | If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank | 0            |
|                         | of which: Increase in Common Equity Tier 1 capital                                                                                                                                   | 0            |
|                         | of which: Increase in Additional Tier 1 capital                                                                                                                                      | 0            |
|                         | of which: Increase in Tier 2 capital                                                                                                                                                 | 0            |
| 26b                     | If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:                                                    | 0            |
|                         | (i) Increase in Common Equity Tier 1 capital                                                                                                                                         | 0            |
|                         | (ii) Increase in risk weighted assets                                                                                                                                                | 0            |
| 50                      | Eligible Provisions included in Tier 2 capital                                                                                                                                       | 36344.12     |
|                         | Eligible Revaluation Reserves included in Tier 2 capital                                                                                                                             | 0            |
|                         | Total of row 50                                                                                                                                                                      | 36344.12     |

# B7: Revenue & Other Reserves is taken net of Integration & Development Fund (₹5 Crore)

## DF-12: COMPOSITION OF CAPITAL - RECONCILIATION REQUIREMENT

As on 31<sup>st</sup> March 2024

### Composition of Capital – reconciliation requirement Step 1

|          |                                                              | (₹ in Crore)                                |                                                             |
|----------|--------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------|
|          |                                                              | Balance sheet as in<br>financial statements | Balance sheet under<br>regulatory scope of<br>consolidation |
|          |                                                              | As on reporting date                        | As on reporting date                                        |
| <b>A</b> | <b>Capital &amp; Liabilities</b>                             |                                             |                                                             |
| i        | Paid-up Capital                                              | 892.46                                      | 892.46                                                      |
|          | Reserves & Surplus                                           | 4,14,046.71                                 | 3,96,495.47                                                 |
|          | Minority Interest                                            | 15,617.96                                   | 7,589.28                                                    |
|          | <b>Total Capital</b>                                         | <b>4,30,557.13</b>                          | <b>4,04,977.21</b>                                          |
| ii       | <b>Deposits</b>                                              | <b>49,66,537.49</b>                         | <b>49,67,991.79</b>                                         |
|          | of which: Deposits from banks                                | 10,853.22                                   | 10,853.22                                                   |
|          | of which: Customer deposits                                  | 49,55,684.27                                | 49,57,138.57                                                |
|          | of which: Other deposits (pl. specify)                       | -                                           | -                                                           |
| iii      | <b>Borrowings</b>                                            | <b>6,39,609.50</b>                          | <b>6,39,994.50</b>                                          |
|          | of which: From RBI                                           | 98,806.56                                   | 98,806.56                                                   |
|          | of which: From banks                                         | 2,71,588.67                                 | 2,71,588.67                                                 |
|          | of which: From other institutions & agencies                 | 1,29,822.51                                 | 1,29,822.51                                                 |
|          | of which: Others (Bonds Other than Capital Instrument Bonds) | 42,703.00                                   | 43,623.00                                                   |
|          | of which: Capital instruments                                | 96,688.76                                   | 96,153.76                                                   |
| iv       | <b>Other liabilities &amp; provisions</b>                    | <b>6,97,074.68</b>                          | <b>2,99,196.37</b>                                          |
|          | <b>Total</b>                                                 | <b>67,33,778.80</b>                         | <b>63,12,159.87</b>                                         |
| <b>B</b> | <b>Assets</b>                                                |                                             |                                                             |
| i        | <b>Cash and balances with Reserve Bank of India</b>          | <b>2,25,356.33</b>                          | <b>2,25,274.97</b>                                          |
|          | <b>Balance with banks and money at call and short notice</b> | <b>1,01,215.97</b>                          | <b>96,725.06</b>                                            |
| ii       | <b>Investments</b>                                           | <b>21,10,548.23</b>                         | <b>17,04,891.95</b>                                         |
|          | of which: Government securities                              | 15,54,202.70                                | 14,27,608.59                                                |
|          | of which: Other approved securities                          | 37,923.56                                   | 91.80                                                       |
|          | of which: Shares                                             | 1,49,490.11                                 | 7,436.10                                                    |
|          | of which: Debentures & Bonds                                 | 2,90,917.18                                 | 2,13,917.72                                                 |
|          | of which: Subsidiaries / Joint Ventures / Associates         | 17,675.58                                   | 11,273.58                                                   |
|          | of which: Others (Commercial Papers, Mutual Funds etc.)      | 60,339.10                                   | 44,564.16                                                   |
| iii      | <b>Loans and advances</b>                                    | <b>37,84,272.67</b>                         | <b>37,83,886.26</b>                                         |
|          | of which: Loans and advances to banks                        | 1,81,665.52                                 | 1,81,665.52                                                 |
|          | of which: Loans and advances to customers                    | 36,02,607.15                                | 36,02,220.74                                                |
| iv       | <b>Fixed assets</b>                                          | <b>44,708.18</b>                            | <b>43,798.82</b>                                            |
| v        | <b>Other assets</b>                                          | <b>4,66,271.46</b>                          | <b>4,56,176.85</b>                                          |
|          | of which: Goodwill                                           | -                                           | -                                                           |
|          | of which: Other intangibles (excluding MSRs)                 | -                                           | -                                                           |
|          | of which: Deferred tax assets                                | 12,140.70                                   | 12,120.37                                                   |
| vi       | <b>Goodwill on consolidation</b>                             | <b>1,405.96</b>                             | <b>1,405.96</b>                                             |
| vii      | <b>Debit balance in Profit &amp; Loss account</b>            | <b>-</b>                                    | <b>-</b>                                                    |
|          | <b>Total Assets</b>                                          | <b>67,33,778.80</b>                         | <b>63,12,159.87</b>                                         |

## PILLAR 3 DISCLOSURES

(Consolidated) as on 31.03.2024

### Composition of Capital – Reconciliation requirement step 2

(₹ in Crore)

|                                                                  | Balance sheet as in<br>financial statements | Balance sheet under<br>regulatory scope of<br>consolidation | Reference<br>number |
|------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------|---------------------|
|                                                                  | As on reporting date                        | As on reporting date                                        |                     |
| <b>A Capital &amp; Liabilities</b>                               |                                             |                                                             |                     |
| <b>i Paid-up Capital</b>                                         | 892.46                                      | 892.46                                                      | A                   |
| of which: Amount eligible for CET 1                              | 892.46                                      | 892.46                                                      | A1                  |
| of which: Amount eligible for AT1                                | -                                           | -                                                           | A2                  |
| Reserves & Surplus                                               | 4,14,046.71                                 | 3,96,495.47                                                 | B                   |
| of which: Statutory Reserve                                      | 1,21,026.38                                 | 1,21,026.38                                                 | B1                  |
| of which: Capital Reserves                                       | 16,727.81                                   | 16,611.89                                                   | B2                  |
| of which: Share Premium                                          | 79,115.48                                   | 79,115.48                                                   | B3                  |
| of which: Investment Reserve                                     | 3,142.84                                    | 3,142.84                                                    | B4                  |
| of which: Investment Revaluation Reserve                         | 11,522.30                                   | 11,522.30                                                   |                     |
| of which: Foreign Currency Translation Reserve                   | 15,107.70                                   | 15,105.30                                                   | B5                  |
| of which: Revaluation Reserve on Fixed Assets                    | 27,555.65                                   | 27,555.65                                                   | B6                  |
| of which: Revenue and Other Reserves                             | 48,302.31                                   | 39,785.48                                                   | B7                  |
| of which: Reserves under Sec. 36(1)(viii) of Income Tax Act,1961 | 19,527.06                                   | 19,527.06                                                   | B8                  |
| of which: Balance in Profit & Loss Account                       | 72,019.18                                   | 63,103.09                                                   | B9                  |
| Minority Interest                                                | 15,617.96                                   | 7,589.28                                                    |                     |
| <b>Total Capital</b>                                             | 4,30,557.13                                 | 4,04,977.21                                                 |                     |
| <b>ii Deposits</b>                                               | 49,66,537.49                                | 49,67,991.79                                                |                     |
| of which: Deposits from banks                                    | 10,853.22                                   | 10,853.22                                                   |                     |
| of which: Customer deposits                                      | 49,55,684.27                                | 49,57,138.57                                                |                     |
| of which: Other deposits (pl. specify)                           |                                             |                                                             |                     |
| <b>iii Borrowings</b>                                            | 6,39,609.50                                 | 6,39,994.50                                                 |                     |
| of which: From RBI                                               | 98,806.56                                   | 98,806.56                                                   |                     |
| of which: From banks                                             | 2,71,588.67                                 | 2,71,588.67                                                 |                     |
| of which: From other institutions & agencies                     | 1,29,822.51                                 | 1,29,822.51                                                 |                     |
| of which: Others (Bonds Other than Capital Instrument Bonds)     | 42,703.00                                   | 43,623.00                                                   |                     |
| of which: Capital instruments                                    | 96,688.76                                   | 96,153.76                                                   |                     |
| <b>iv Other liabilities &amp; provisions</b>                     | 6,97,074.68                                 | 2,99,196.37                                                 |                     |
| of which: DTLs related to goodwill                               |                                             |                                                             |                     |
| of which: DTLs related to intangible assets                      |                                             |                                                             |                     |
| <b>Total</b>                                                     | 67,33,778.80                                | 63,12,159.87                                                |                     |



(₹ in Crore)

|                                                         | Balance sheet as in<br>financial statements | Balance sheet under<br>regulatory scope of<br>consolidation | Reference<br>number |
|---------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------|---------------------|
|                                                         | As on reporting date                        | As on reporting date                                        |                     |
| <b>B Assets</b>                                         |                                             |                                                             |                     |
| <b>i Cash and balances with Reserve Bank of India</b>   | 2,25,356.33                                 | 2,25,274.97                                                 |                     |
| Balance with banks and money at call and short notice   | 1,01,215.97                                 | 96,725.06                                                   |                     |
| <b>ii Investments</b>                                   | 21,10,548.23                                | 17,04,891.95                                                |                     |
| of which: Government securities                         | 15,54,202.70                                | 14,27,608.59                                                |                     |
| of which: Other approved securities                     | 37,923.56                                   | 91.80                                                       |                     |
| of which: Shares                                        | 1,49,490.11                                 | 7,436.10                                                    |                     |
| of which: Debentures & Bonds                            | 2,90,917.18                                 | 2,13,917.72                                                 |                     |
| of which: Subsidiaries / Joint Ventures / Associates    | 17,675.58                                   | 11,273.58                                                   |                     |
| of which: Others (Commercial Papers, Mutual Funds etc.) | 60,339.10                                   | 44,564.16                                                   |                     |
| <b>iii Loans and advances</b>                           | 37,84,272.67                                | 37,83,886.26                                                |                     |
| of which: Loans and advances to banks                   | 1,81,665.52                                 | 1,81,665.52                                                 |                     |
| of which: Loans and advances to customers               | 36,02,607.15                                | 36,02,220.74                                                |                     |
| <b>iv Fixed assets</b>                                  | 44,708.18                                   | 43,798.82                                                   |                     |
| <b>v Other assets</b>                                   | 4,66,271.46                                 | 4,56,176.85                                                 |                     |
| of which: Goodwill                                      | -                                           | -                                                           |                     |
| of which: Other intangibles (excluding MSRs)            | -                                           | -                                                           |                     |
| of which: Deferred tax assets                           | 12,140.70                                   | 12,120.37                                                   | C                   |
| <b>vi Goodwill on consolidation</b>                     | 1,405.96                                    | 1,405.96                                                    | D                   |
| <b>vii Debit balance in Profit &amp; Loss account</b>   | -                                           | -                                                           |                     |
| <b>Total Assets</b>                                     | <b>67,33,778.80</b>                         | <b>63,12,159.87</b>                                         |                     |

## Common Equity Tier 1 capital (CET1): instruments and reserves Step 3

(₹ in Crore)

|   | Component of regulatory<br>capital reported by bank                                                                         | Ref No. (with respect to<br>DF - 12: Step 2) |                            |
|---|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------|
|   |                                                                                                                             |                                              |                            |
| 1 | Directly issued qualifying common share (and equivalent for non - joint stock companies) capital plus related stock surplus | 80007.94                                     | A1 + B3                    |
| 2 | Retained earnings                                                                                                           | 260048.90                                    | B1 + B2 + B7 + B8 + B9 (#) |
| 3 | Accumulated other comprehensive income (and other reserves)                                                                 | 23729.02                                     | B5 * 75% + B6 * 45%        |
| 4 | Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)                       | 0.00                                         |                            |
| 5 | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)                        | 3004.24                                      |                            |
| 6 | Common Equity Tier 1 capital before regulatory adjustments                                                                  | 366790.10                                    |                            |
| 7 | Prudential valuation adjustments                                                                                            | 1633.17                                      |                            |
| 8 | Goodwill (net of related tax liability)                                                                                     | 1405.96                                      | D                          |

# B7: Revenue &amp; Other Reserves is taken net of Integration &amp; Development Fund (₹5 Crore)

## PILLAR 3 DISCLOSURES

(Consolidated) as on 31.03.2024

### DF-13: Main features of Regulatory Capital Instruments

### DF-14: Full Terms and Conditions of Regulatory Capital Instruments

These disclosures i.e. DF 13 and DF 14 have been uploaded on the Bank's website i.e.

[www.sbi.co.in/portal/web/corporate-governance/basel-iii-disclosures](http://www.sbi.co.in/portal/web/corporate-governance/basel-iii-disclosures)

### DF-15: Disclosure Requirements for Remuneration

Not applicable, as Private sector and foreign banks operating in India are required to make this disclosure.

### DF-16: Equities - Disclosure for Banking Book Positions as on 31<sup>st</sup> March 2024

#### Qualitative Disclosures

##### 1 The general qualitative disclosure with respect to equity risk, including:

- |                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons;</li> </ul>                                                                                                                                          | <p>All equity investments in HTM Category are made in Associates, Subsidiaries, Joint Ventures and RRBs. These are strategic in nature.</p>          |
| <ul style="list-style-type: none"> <li>Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices</li> </ul> | <p>Accounting and valuation policies for securities held under HTM category are detailed under Schedule 17 para 2.3(ii) of Bank's Annual Report.</p> |

#### Quantitative Disclosures

- |   |                                                                                                                                                                                                                                         |               |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 1 | Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value. | ₹840.51 Crore |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|

- |   |                                                                                      |
|---|--------------------------------------------------------------------------------------|
| 2 | The types and nature of investments, including the amount that can be classified as: |
|---|--------------------------------------------------------------------------------------|

| Particulars     | Type                                   | Book Value (In Crore) |
|-----------------|----------------------------------------|-----------------------|
| Publicly traded | Subsidiaries                           | HTM 2,497.27          |
|                 | Associate                              | AFS 7,810.00          |
|                 | Others                                 | HTM 133.66            |
| Privately held  | Associates, Subsidiaries, JVs & Others | HTM 10,982.45         |

- |   |                                                                                                                                                                                                                                                                                            |                                 |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| 3 | The cumulative realised gains (losses) arising from sales and liquidations in the reporting period                                                                                                                                                                                         | Nil                             |
| 4 | Total unrealised gains (losses) <sup>13</sup>                                                                                                                                                                                                                                              | ₹376.96 Crore (Unrealised loss) |
| 5 | Total latent revaluation gains (losses) <sup>14</sup>                                                                                                                                                                                                                                      | ₹9,628.67 Crore (MTM Gain)      |
| 6 | Any amounts of the above included in Tier 1 and/or Tier 2 capital                                                                                                                                                                                                                          | ₹89.92 Crore                    |
| 7 | Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition or grandfathering provisions regarding regulatory capital requirements | ₹4.75 Crore                     |

<sup>13</sup> Unrealised gains (losses) recognised through the profit and loss account.

<sup>14</sup> Unrealised gains (losses) not recognised either in the balance sheet or through the profit and loss account.

## DF-17: COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE

As on 31<sup>st</sup> March 2024

| ITEM                                                                                                                                                                                 | ₹ (In million) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 1 Total consolidated assets as per published financial statements                                                                                                                    | 6,73,37,787.99 |
| 2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | -42,16,189.26  |
| 3 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure               | 0.00           |
| 4 Adjustments for derivative financial instruments                                                                                                                                   | 4,94,377.17    |
| 5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)                                                                                          | 18,160.84      |
| 6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)                                                               | 57,91,687.93   |
| 7 Other adjustments                                                                                                                                                                  | -1,78,735.62   |
| 8 Leverage ratio exposure (State Bank Group)                                                                                                                                         | 6,92,47,089.05 |

## DF-18: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

As on 31<sup>st</sup> March 2024

| ITEM                                                                                                                                       | (₹ in Million)        |
|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| <b>On balance sheet exposures</b>                                                                                                          |                       |
| 1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)                                                        | 6,31,21,598.73        |
| 2 (Asset amounts deducted in determining Basel III Tier 1 capital)                                                                         | -178735.62            |
| 3 <b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)</b>                                          | <b>6,29,42,863.11</b> |
| <b>Derivatives exposures</b>                                                                                                               |                       |
| 4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)                               | 1,99,565.08           |
| 5 Add-on amounts for PFE associated with all derivatives transactions                                                                      | 2,94,812.09           |
| 6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework | 0.00                  |
| 7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)                                        | 0.00                  |
| 8 (Exempted CCP leg of client-cleared trade exposures)                                                                                     | 0.00                  |
| 9 Adjusted effective notional amount of written credit derivatives                                                                         | 0.00                  |
| 10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)                                              | 0.00                  |
| 11 <b>Total derivative exposures (sum of lines 4 to 10)</b>                                                                                | <b>4,94,377.17</b>    |
| <b>Securities financing transaction exposure</b>                                                                                           |                       |
| 12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions                                     | 18,160.84             |
| 13 (Netted amounts of cash payables and cash receivables of gross SFT assets)                                                              | 0.00                  |
| 14 CCR exposure for SFT assets                                                                                                             | 0.00                  |
| 15 Agent transaction exposures                                                                                                             | 0.00                  |
| 16 <b>Total securities financing transaction exposures (sum of lines 12 to 15)</b>                                                         | <b>18,160.84</b>      |
| <b>Other off balance sheet exposures</b>                                                                                                   |                       |
| 17 Off-balance sheet exposure at gross notional amount                                                                                     | 1,38,38,537.35        |
| 18 (Adjustments for conversion to credit equivalent amounts)                                                                               | -80,46,849.42         |
| 19 <b>Off-balance sheet items (sum of lines 17 and 18)</b>                                                                                 | <b>57,91,687.93</b>   |
| <b>Capital and total exposures</b>                                                                                                         |                       |
| 20 <b>Tier 1 capital</b>                                                                                                                   | <b>41,27,356.52</b>   |
| 21 <b>Total exposures (sum of lines 3,11,16 and 19)</b>                                                                                    | <b>6,92,47,089.05</b> |
| <b>Leverage ratio</b>                                                                                                                      |                       |
| 22 <b>Basel III leverage ratio (%) (State Bank Group)</b>                                                                                  | <b>5.96%</b>          |

## PILLAR 3 DISCLOSURES

(Consolidated) as on 31.03.2024

### DF- GR: Additional Disclosures on Group Risk

As on 31<sup>st</sup> March 2024

#### Qualitative Disclosure

In respect of Group entities \*

[Overseas Banking entities and Non-Banking entities]

| General Description on                                           |                                                                                                                                                                                       |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Governance Practices                                   | All Group entities adhere to good Corporate Governance practices.                                                                                                                     |
| Disclosure Practices                                             | All Group entities adhere to / follow good disclosure practices.                                                                                                                      |
| Arm's Length Policy in respect of Intra Group Transactions       | All Intra-Group transactions within the State Bank Group have been effected on Arm's Length basis, both as to their commercial terms and as to matters such as provision of security. |
| Common marketing, branding and use of SBI's Symbol               | No Group entity has made use of SBI symbol in a manner that may indicate to public that common marketing, branding implies implicit support of SBI to the Group entity.               |
| Details of Financial Support, # if any                           | No Group entity has provided / received Financial Support from any other entity in the Group.                                                                                         |
| Adherence to all other covenants of Group Risk Management policy | All covenants of the Group Risk Management Policy have meticulously been complied with by the Group entities.                                                                         |

Intra-group transactions which may lead to the following have been broadly treated as 'Financial Support' #:

- inappropriate transfer of capital or income from one entity to the other in the Group;
- violation of the Arm's Length Policy within which the Group entities are expected to operate;
- adverse impact on the solvency, liquidity and profitability of the individual entities within the Group;
- evasion of capital or other regulatory requirements;
- operation of 'Cross Default Clauses' whereby a default by a related entity on an obligation (whether financial or otherwise) is deemed to trigger a default on itself.

\* Entities covered:

| <b>BANKING - OVERSEAS</b>        | <b>NON - BANKING</b>                             |
|----------------------------------|--------------------------------------------------|
| SBI Canada Bank                  | SBI Capital Markets Ltd.                         |
| State Bank of India (California) | SBI Cards & Payment Services Ltd.                |
| SBI (Mauritius) Ltd.             | SBI DFHI Ltd.                                    |
| PT Bank SBI Indonesia            | SBI Funds Management Ltd.                        |
| Commercial Indo Bank LLC, Moscow | SBI General Insurance Company Ltd.               |
| Nepal SBI Bank Ltd.              | SBI Global Factors Ltd.                          |
| State Bank of India (UK) Ltd.    | SBI Life Insurance Co. Ltd.                      |
|                                  | SBI Pension Funds Pvt. Ltd.                      |
|                                  | SBI-SG Global Securities Services Pvt. Ltd.      |
|                                  | SBICAP venture Ltd.                              |
|                                  | State Bank Operations Support Services Pvt. Ltd. |
|                                  | SBI CDMDT Trustee Pvt. Ltd.                      |

# State Bank of India

Balance Sheet as at 31<sup>st</sup> March 2023

Standalone Financials

(000s omitted)

|                                                        | Schedule No. | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|--------------------------------------------------------|--------------|-----------------------------------------|------------------------------------------|
| <b>CAPITAL AND LIABILITIES</b>                         |              |                                         |                                          |
| Capital                                                | 1            | 892,46,12                               | 892,46,12                                |
| Reserves & Surplus                                     | 2            | 326715,98,77                            | 279195,59,89                             |
| Deposits                                               | 3            | 4423777,77,63                           | 4051534,12,27                            |
| Borrowings                                             | 4            | 493135,15,62                            | 426043,37,98                             |
| Other Liabilities and Provisions                       | 5            | 272457,14,51                            | 229931,84,28                             |
| <b>TOTAL</b>                                           |              | <b>5516978,52,65</b>                    | <b>4987597,40,54</b>                     |
| <b>ASSETS</b>                                          |              |                                         |                                          |
| Cash and Balances with Reserve Bank of India           | 6            | 247087,57,52                            | 318265,20,71                             |
| Balances with Banks and money at call and short notice | 7            | 60812,04,28                             | 76287,11,40                              |
| Investments                                            | 8            | 1570366,22,57                           | 1481445,46,98                            |
| Advances                                               | 9            | 3199269,29,68                           | 2733966,59,29                            |
| Fixed Assets                                           | 10           | 42381,80,31                             | 37708,15,83                              |
| Other Assets                                           | 11           | 397061,58,29                            | 339924,86,33                             |
| <b>TOTAL</b>                                           |              | <b>5516978,52,65</b>                    | <b>4987597,40,54</b>                     |
| Contingent Liabilities                                 | 12           | 1826574,12,43                           | 2007083,44,06                            |
| Bills for Collection                                   | -            | 64531,07,67                             | 77730,12,34                              |
| Significant Accounting Policies                        | 17           |                                         |                                          |
| Notes to Accounts                                      | 18           |                                         |                                          |

Schedules referred to above form an integral part of the Balance Sheet.

**Shri Alok Kumar Choudhary**  
Managing Director  
(Retail Business & Operations)

**Shri Ashwini Kumar Tewari**  
Managing Director  
(Risk, Compliance & SARG)

**Shri Swaminathan J.**  
Managing Director  
(Corporate Banking & Subsidiaries)

**Shri Challa Sreenivasulu Setty**  
Managing Director  
(International Banking, Global Markets & Technology)

## Directors:

Shri B. Venugopal  
Dr. Ganesh G Natarajan  
Shri Ketan S. Vikamsey  
Shri Mrugank M. Paranjape  
Shri Prafulla P. Chhajed  
Ms. Swati Gupta  
Shri Anil Kumar Sharma

**Shri Dinesh Kumar Khara**  
Chairman

**Place: Mumbai**

**Date: 18<sup>th</sup> May 2023**

In terms of our report of even date

**For K C Mehta & Co LLP**

Chartered Accountants  
Firm Regn. No. 106237W/W100829

**For ASA & Associates LLP**

Chartered Accountants  
Firm Regn. No. 009571N/N500006

**For Prem Gupta & Co.**

Chartered Accountants  
Firm Regn. No. 000425N

**CA Chirag Bakshi**

Partner: M. No. 047164

**CA Prateet Mittal**

Partner: M. No. 402631

**CA Shakun Gupta**

Partner: M. No. 506838

**For Guha Nandi & Co.**

Chartered Accountants  
Firm Regn. No. 302039E

**For M C Bhandari & Co.**

Chartered Accountants  
Firm Regn. No. 303002E

**For V Singhi & Associates**

Chartered Accountants  
Firm Regn. No. 311017E

**Dr. B. S. Kundu**

Partner: M. No. 051221

**CA Nikhil Jain**

Partner: M. No. 301150

**CA Aniruddha Sengupta**

Partner: M. No. 051371

**For Suri & Co.**

Chartered Accountants  
Firm Regn. No. 004283S

**For Talati & Talati LLP**

Chartered Accountants  
Firm Regn. No. 110758W/W100377

**For Ravi Rajan & Co. LLP**

Chartered Accountants  
Firm Regn. No. 009073N/N500320

**CA V Natarajan**

Partner: M. No. 223118

**CA Anand Sharma**

Partner: M. No. 129033

**CA Sumit Kumar**

Partner: M. No. 512555

**For Gokhale & Sathe**

Chartered Accountants  
Firm Regn. No. 103264W

**For M K Aggarwal & Co.**

Chartered Accountants  
Firm Regn. No. 001411N

**For JLN US & Co.**

Chartered Accountants  
Firm Regn. No. 101543W

**CA Jayant Gokhale**

Partner: M. No. 033767

**CA Atul Aggarwal**

Partner: M. No. 099374

**CA Shalabh Kumar Daga**

Partner: M. No. 401428

Place: Mumbai

Date: 18<sup>th</sup> May 2023

# SCHEDULES

forming part of the Balance Sheet as at 31<sup>st</sup> March 2023

## SCHEDULE 1 - CAPITAL

(000s omitted)

|                                                                                                                                                                                                       | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>Authorised Capital:</b>                                                                                                                                                                            |                                         |                                          |
| 5000,00,00,000 shares of ₹1 each<br>(Previous Year 5000,00,00,000 shares of ₹1 each)                                                                                                                  | 5000,00,00                              | 5000,00,00                               |
| <b>Issued Capital:</b>                                                                                                                                                                                |                                         |                                          |
| 892,54,05,164 Equity Shares of ₹1 each<br>(Previous Year 892,54,05,164 Equity Shares of ₹1 each)                                                                                                      | 892,54,05                               | 892,54,05                                |
| <b>Subscribed and Paid-up Capital:</b>                                                                                                                                                                |                                         |                                          |
| 892,46,11,934 Equity Shares of ₹1 each<br>(Previous Year 892,46,11,534 Equity Shares of ₹1 each)                                                                                                      | 892,46,12                               | 892,46,12                                |
| [The above includes 8,91,60,950 Equity Shares of ₹1 each<br>(Previous Year 10,36,05,740 Equity Shares of ₹1 each) represented by 89,16,095<br>(Previous Year 1,03,60,574) Global Depository Receipts] |                                         |                                          |
| <b>TOTAL</b>                                                                                                                                                                                          | <b>892,46,12</b>                        | <b>892,46,12</b>                         |

## SCHEDULE 2 - RESERVES & SURPLUS

(000s omitted)

|                                           | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|-------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>I. Statutory Reserves</b>              |                                         |                                          |
| Opening Balance                           | 85568,02,08                             | 76065,22,66                              |
| Additions during the year                 | 15069,73,61                             | 9502,79,42                               |
| Deductions during the year                | -                                       | -                                        |
|                                           | <b>100637,75,69</b>                     | <b>85568,02,08</b>                       |
| <b>II. Capital Reserves</b>               |                                         |                                          |
| Opening Balance                           | 15759,98,23                             | 15221,82,99                              |
| Additions during the year                 | 232,80,84                               | 538,15,24                                |
| Deductions during the year                | -                                       | -                                        |
|                                           | <b>15992,79,07</b>                      | <b>15759,98,23</b>                       |
| <b>III. Share Premium</b>                 |                                         |                                          |
| Opening Balance                           | 79115,47,05                             | 79115,47,05                              |
| Additions during the year                 | 63                                      | -                                        |
| Deductions during the year                | -                                       | -                                        |
|                                           | <b>79115,47,68</b>                      | <b>79115,47,05</b>                       |
| <b>IV. Investment Fluctuation Reserve</b> |                                         |                                          |
| Opening Balance                           | 7695,94,74                              | 3048,07,72                               |
| Additions during the year                 | 4575,43,43                              | 4647,87,02                               |
| Deductions during the year                | -                                       | -                                        |
|                                           | <b>12271,38,17</b>                      | <b>7695,94,74</b>                        |



(000s omitted)

|                                                 | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|-------------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>V. Foreign Currency Translation Reserve</b>  |                                         |                                          |
| Opening Balance                                 | 9960,78,78                              | 9072,39,67                               |
| Additions during the year                       | 2794,39,13                              | 888,39,11                                |
| Deductions during the year                      | -                                       | -                                        |
|                                                 | <b>12755,17,91</b>                      | <b>9960,78,78</b>                        |
| <b>VI. Revenue and Other Reserves*</b>          |                                         |                                          |
| Opening Balance                                 | 51836,11,81                             | 50483,22,45                              |
| Additions during the year                       | 2252,30,72                              | 1352,89,36                               |
| Deductions during the year                      | -                                       | -                                        |
|                                                 | <b>54088,42,53</b>                      | <b>51836,11,81</b>                       |
| <b>VII. Revaluation Reserve</b>                 |                                         |                                          |
| Opening Balance                                 | 23377,86,71                             | 23577,34,78                              |
| Additions during the year                       | 4578,34,93                              | -                                        |
| Deductions during the year                      | 199,95,74                               | 199,48,07                                |
|                                                 | <b>27756,25,90</b>                      | <b>23377,86,71</b>                       |
| <b>VIII. Balance of Profit and Loss Account</b> | <b>24098,71,82</b>                      | <b>5881,40,49</b>                        |
| <b>TOTAL</b>                                    | <b>326715,98,77</b>                     | <b>279195,59,89</b>                      |

\* Note: Revenue and Other Reserves include

- i) ₹5,00,00 thousand (Previous Year ₹5,00,00 thousand) of Integration and Development Fund (maintained under Section 36 of the State Bank of India Act, 1955)
- ii) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 ₹17749,30,76 thousand (Previous Year ₹15696,95,76 thousand)
- iii) Investment Reserves Current Year Nil (Previous Year Nil)

### SCHEDULE 3 - DEPOSITS

(000s omitted)

|                                            | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|--------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>A. I. Demand Deposits</b>               |                                         |                                          |
| i) From Banks                              | 3449,99,90                              | 6551,52,93                               |
| ii) From Others                            | 295593,04,38                            | 270172,30,80                             |
| <b>II. Savings Bank Deposits</b>           | 1588405,52,42                           | 1526856,80,29                            |
| <b>III. Term Deposits</b>                  |                                         |                                          |
| i) From Banks                              | 6994,90,95                              | 7909,81,63                               |
| ii) From Others                            | 2529334,29,98                           | 2240043,66,62                            |
| <b>TOTAL</b>                               | <b>4423777,77,63</b>                    | <b>4051534,12,27</b>                     |
| <b>B. i) Deposits of Branches in India</b> | 4253570,79,60                           | 3920200,81,67                            |
| ii) Deposits of Branches outside India     | 170206,98,03                            | 131333,30,60                             |
| <b>TOTAL</b>                               | <b>4423777,77,63</b>                    | <b>4051534,12,27</b>                     |

# SCHEDULES

forming part of the Balance Sheet as at 31<sup>st</sup> March 2023

## SCHEDULE 4 - BORROWINGS

(000s omitted)

|                                                         | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|---------------------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>I. Borrowings in India</b>                           |                                         |                                          |
| i) Reserve Bank of India                                | 24956,00,00                             | 24956,00,00                              |
| ii) Other Banks                                         | 150,00,00                               | -                                        |
| iii) Other Institutions and Agencies                    | 88372,10,40                             | 144073,34,11                             |
| iv) Bonds & Debentures (Other than capital Instruments) | 19718,00,00                             | -                                        |
| v) Capital Instruments:                                 |                                         |                                          |
| a) Innovative Perpetual Debt Instruments (IPDI)         | 49842,70,00                             | 36709,70,00                              |
| b) Subordinated Debt                                    | 39289,90,00                             | 35289,90,00                              |
|                                                         | <b>89132,60,00</b>                      | <b>71999,60,00</b>                       |
| <b>TOTAL</b>                                            | <b>222328,70,40</b>                     | <b>241028,94,11</b>                      |
| <b>II. Borrowings outside India</b>                     |                                         |                                          |
| i) Borrowings and Refinance outside India               | 270806,45,22                            | 185014,43,87                             |
| ii) Capital Instruments:                                | -                                       | -                                        |
| Innovative Perpetual Debt Instruments (IPDI)            |                                         |                                          |
| <b>TOTAL</b>                                            | <b>270806,45,22</b>                     | <b>185014,43,87</b>                      |
| <b>GRAND TOTAL</b>                                      | <b>493135,15,62</b>                     | <b>426043,37,98</b>                      |
| Secured Borrowings included in I & II above             | 129118,98,56                            | 178690,84,91                             |

## SCHEDULE 5 - OTHER LIABILITIES & PROVISIONS

(000s omitted)

|                                    | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|------------------------------------|-----------------------------------------|------------------------------------------|
| I. Bills payable                   | 27360,44,54                             | 33431,04,90                              |
| II. Inter-office adjustments (Net) | 4346,60,96                              | 2344,61,99                               |
| III. Interest accrued              | 27028,92,65                             | 17704,33,21                              |
| IV. Deferred Tax Liabilities (Net) | 72                                      | 2,55,53                                  |
| V. Others (including provisions)*  | 213721,15,64                            | 176449,28,65                             |
| <b>TOTAL</b>                       | <b>272457,14,51</b>                     | <b>229931,84,28</b>                      |

\* Includes prudential provision for Standard Assets ₹25673,65,46 thousand (Previous Year ₹19972,60,99 thousand) which includes prudential provision made on a large borrower account having an exposure of ₹8,500 Crore.

## SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(000s omitted)

|                                                             | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|-------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| I. Cash in hand (including foreign currency notes and gold) | 21409,48,82                             | 21742,92,83                              |
| II. Balance with Reserve Bank of India                      |                                         |                                          |
| i) In Current Account                                       | 225678,08,70                            | 236116,27,88                             |
| ii) In Other Accounts                                       | -                                       | 60406,00,00                              |
| <b>TOTAL</b>                                                | <b>247087,57,52</b>                     | <b>318265,20,71</b>                      |

## SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(000s omitted)

|                                     | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|-------------------------------------|-----------------------------------------|------------------------------------------|
| <b>I. In India</b>                  |                                         |                                          |
| i) Balances with banks              |                                         |                                          |
| a) In Current Accounts              | -                                       | -                                        |
| b) In Other Deposit Accounts        | -                                       | -                                        |
| ii) Money at call and short notice  |                                         |                                          |
| a) With banks                       | 7770,44,34                              | 547,22,08                                |
| b) With Other Institutions          | -                                       | -                                        |
| <b>TOTAL</b>                        | <b>7770,44,34</b>                       | <b>547,22,08</b>                         |
| <b>II. Outside India</b>            |                                         |                                          |
| i) In Current Accounts              | 43379,39,74                             | 61541,33,80                              |
| ii) In Other Deposit Accounts       | 1122,11,64                              | 2772,69,44                               |
| iii) Money at call and short notice | 8540,08,56                              | 11425,86,08                              |
| <b>TOTAL</b>                        | <b>53041,59,94</b>                      | <b>75739,89,32</b>                       |
| <b>GRAND TOTAL (I and II)</b>       | <b>60812,04,28</b>                      | <b>76287,11,40</b>                       |

## SCHEDULE 8 - INVESTMENTS

(000s omitted)

|                                                               | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|---------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>I. Investments in India in:</b>                            |                                         |                                          |
| i) Government Securities                                      | 1238328,92,16                           | 1162182,63,96                            |
| ii) Other Approved Securities                                 | -                                       | -                                        |
| iii) Shares                                                   | 14087,85,39                             | 12424,39,66                              |
| iv) Debentures and Bonds                                      | 213392,76,78                            | 215804,42,59                             |
| v) Subsidiaries and/or Joint Ventures (including Associates)* | 14050,23,13                             | 14012,38,80                              |
| vi) Others (Units of Mutual Funds etc.)                       | 29076,31,69                             | 23582,24,18                              |
| <b>TOTAL</b>                                                  | <b>1508936,09,15</b>                    | <b>1428006,09,19</b>                     |
| <b>II. Investments outside India in:</b>                      |                                         |                                          |
| i) Government Securities (including local authorities)        | 30059,19,62                             | 19728,93,24                              |
| ii) Subsidiaries and/or Joint Ventures abroad                 | 5680,21,97                              | 5028,44,04                               |
| iii) Other Investments (Shares, Debentures, etc.)             | 25690,71,83                             | 28682,00,51                              |
| <b>TOTAL</b>                                                  | <b>61430,13,42</b>                      | <b>53439,37,79</b>                       |
| <b>GRAND TOTAL (I and II)</b>                                 | <b>1570366,22,57</b>                    | <b>1481445,46,98</b>                     |
| <b>III. Investments in India:</b>                             |                                         |                                          |
| i) Gross Value of Investments                                 | 1524189,29,58                           | 1439648,85,34                            |
| ii) Less: Aggregate of Provisions/Depreciation                | 15253,20,43                             | 11642,76,15                              |
| iii) Net Investments (vide I above)                           | <b>1508936,09,15</b>                    | <b>1428006,09,19</b>                     |
| <b>IV. Investments outside India:</b>                         |                                         |                                          |
| i) Gross Value of Investments                                 | 63208,84,72                             | 53537,57,21                              |
| ii) Less: Aggregate of Provisions/Depreciation                | 1778,71,30                              | 98,19,42                                 |
| iii) Net Investments (vide II above)                          | <b>61430,13,42</b>                      | <b>53439,37,79</b>                       |
| <b>GRAND TOTAL (III and IV)</b>                               | <b>1570366,22,57</b>                    | <b>1481445,46,98</b>                     |

\* Including Share application money

# SCHEDULES

forming part of the Balance Sheet as at 31<sup>st</sup> March 2023

## SCHEDULE 9 - ADVANCES

(000s omitted)

|                                                                                | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|--------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>A.</b> i) Bills purchased and discounted                                    | 181809,89,57                            | 167282,62,94                             |
| ii) Cash credits, overdrafts and loans repayable on demand                     | 836849,24,83                            | 713526,87,72                             |
| iii) Term loans                                                                | 2180610,15,28                           | 1853157,08,63                            |
| <b>TOTAL</b>                                                                   | <b>3199269,29,68</b>                    | <b>2733966,59,29</b>                     |
| <b>B.</b> i) Secured by tangible assets (includes advances against Book Debts) | 2135804,65,54                           | 1874674,76,97                            |
| ii) Covered by Bank/Government Guarantees                                      | 133100,11,33                            | 114697,57,23                             |
| iii) Unsecured                                                                 | 930364,52,81                            | 744594,25,09                             |
| <b>TOTAL</b>                                                                   | <b>3199269,29,68</b>                    | <b>2733966,59,29</b>                     |
| <b>C. I. Advances in India</b>                                                 |                                         |                                          |
| i) Priority Sector                                                             | 697644,43,51                            | 658546,87,83                             |
| ii) Public Sector                                                              | 258891,40,67                            | 167189,34,75                             |
| iii) Banks                                                                     | 447,11,05                               | 1001,87,68                               |
| iv) Others                                                                     | 1751489,67,48                           | 1496980,59,45                            |
| <b>TOTAL</b>                                                                   | <b>2708472,62,71</b>                    | <b>2323718,69,71</b>                     |
| <b>II. Advances outside India</b>                                              |                                         |                                          |
| i) Due from banks                                                              | 151113,59,09                            | 119036,89,80                             |
| ii) Due from others                                                            |                                         |                                          |
| a) Bills purchased and discounted                                              | 42518,59,79                             | 35342,14,75                              |
| b) Syndicated loans                                                            | 210775,60,39                            | 182163,55,96                             |
| c) Others                                                                      | 86388,87,70                             | 73705,29,07                              |
| <b>TOTAL</b>                                                                   | <b>490796,66,97</b>                     | <b>410247,89,58</b>                      |
| <b>GRAND TOTAL [C (I) and C (II)]</b>                                          | <b>3199269,29,68</b>                    | <b>2733966,59,29</b>                     |

## SCHEDULE 10 - FIXED ASSETS

(000s omitted)

|                                                                     | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|---------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>I. Premises (including Revalued Premises)</b>                    |                                         |                                          |
| At cost/revalued as at 31 <sup>st</sup> March of the preceding year | 30453,14,11                             | 30362,68,76                              |
| Additions:                                                          |                                         |                                          |
| - during the year                                                   | 28,76,48                                | 107,12,39                                |
| - for Revaluation                                                   | 6407,26,03                              | -                                        |
| Deductions:                                                         |                                         |                                          |
| - during the year                                                   | 6,81,67                                 | 1,16,82                                  |
| - for Revaluation                                                   | 1828,91,10                              | 15,50,22                                 |
| Depreciation to date:                                               |                                         |                                          |
| - on cost                                                           | 1190,11,99                              | 1058,70,21                               |
| - on Revaluation                                                    | 1228,86,53                              | 1028,90,79                               |
|                                                                     | <b>32634,45,33</b>                      | <b>28365,53,11</b>                       |

(000s omitted)

|                                                                     | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|---------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>II. Other Fixed Assets (including furniture and fixtures)</b>    |                                         |                                          |
| At cost/revalued as at 31 <sup>st</sup> March of the preceding year | 38171,83,29                             | 36131,54,03                              |
| Additions during the year                                           | 3354,44,78                              | 2608,18,79                               |
| Deductions during the year                                          | 666,53,00                               | 567,89,53                                |
| Depreciation to date                                                | 31393,47,30                             | 29069,87,58                              |
|                                                                     | <b>9466,27,77</b>                       | <b>9101,95,71</b>                        |
| <b>III. Assets under Construction (Including Premises)</b>          | <b>281,07,21</b>                        | <b>240,67,01</b>                         |
| <b>TOTAL (I, II, and III)</b>                                       | <b>42381,80,31</b>                      | <b>37708,15,83</b>                       |

## SCHEDULE 11 - OTHER ASSETS

(000s omitted)

|                                                           | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|-----------------------------------------------------------|-----------------------------------------|------------------------------------------|
| I. Inter-office adjustments (Net)                         | -                                       | -                                        |
| II. Interest accrued                                      | 39191,05,69                             | 33675,81,75                              |
| III. Tax paid in advance/tax deducted at source           | 16517,16,78                             | 22292,88,93                              |
| IV. Deferred Tax Assets (Net)                             | 10534,22,09                             | 6247,27,92                               |
| V. Stationery and stamps                                  | 22,56,00                                | 18,28,40                                 |
| VI. Non-banking assets acquired in satisfaction of claims | 56,10                                   | 56,10                                    |
| VII. Others *                                             | 330796,01,63                            | 277690,03,23                             |
| <b>TOTAL</b>                                              | <b>397061,58,29</b>                     | <b>339924,86,33</b>                      |

\*Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹218591,19,47 thousand (Previous Year ₹195618,29,52 thousand)

## SCHEDULE 12 - CONTINGENT LIABILITIES

(000s omitted)

|                                                                     | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|---------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| I. Claims against the bank not acknowledged as debts                | 90421,31,87                             | 85961,67,98                              |
| II. Liability for partly paid investments/Venture Funds             | 1689,05,00                              | 1982,56,16                               |
| III. Liability on account of outstanding forward exchange contracts | 1039221,77,94                           | 1212393,31,12                            |
| IV. Guarantees given on behalf of constituents                      |                                         |                                          |
| a) In India                                                         | 165143,90,45                            | 166478,97,17                             |
| b) Outside India                                                    | 104910,29,06                            | 95194,96,23                              |
| V. Acceptances, endorsements and other obligations                  | 151795,92,04                            | 178718,66,77                             |
| VI. Other items for which the bank is contingently liable*          | 273391,86,07                            | 266353,28,63                             |
| <b>TOTAL</b>                                                        | <b>1826574,12,43</b>                    | <b>2007083,44,06</b>                     |

\*Includes Derivatives ₹261587,05,11 thousand (Previous Year ₹259459,41,01 thousand)

# State Bank of India

Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

(000s omitted)

|                                                               | Schedule No. | Year ended<br>31.03.2023<br>(Current Year)<br>₹ | Year ended<br>31.03.2022<br>(Previous Year)<br>₹ |
|---------------------------------------------------------------|--------------|-------------------------------------------------|--------------------------------------------------|
| <b>I. INCOME</b>                                              |              |                                                 |                                                  |
| Interest earned                                               | 13           | 332103,06,02                                    | 275457,29,04                                     |
| Other Income                                                  | 14           | 36615,59,76                                     | 40563,91,40                                      |
| <b>TOTAL</b>                                                  |              | <b>368718,65,78</b>                             | <b>316021,20,44</b>                              |
| <b>II. EXPENDITURE</b>                                        |              |                                                 |                                                  |
| Interest expended                                             | 15           | 187262,55,56                                    | 154749,70,43                                     |
| Operating expenses                                            | 16           | 97743,13,61                                     | 93397,51,52                                      |
| Provisions and contingencies                                  |              | 33480,51,25                                     | 36198,00,44                                      |
| <b>TOTAL</b>                                                  |              | <b>318486,20,42</b>                             | <b>284345,22,39</b>                              |
| <b>III. PROFIT</b>                                            |              |                                                 |                                                  |
| Net Profit for the year                                       |              | 50232,45,36                                     | 31675,98,05                                      |
| Add: Profit/(Loss) brought forward                            |              | 5881,40,49                                      | (3600,84,46)                                     |
| <b>TOTAL</b>                                                  |              | <b>56113,85,85</b>                              | <b>28075,13,59</b>                               |
| <b>IV. APPROPRIATIONS</b>                                     |              |                                                 |                                                  |
| Transfer to Statutory Reserve                                 |              | 15069,73,61                                     | 9502,79,42                                       |
| Transfer to Capital Reserve                                   |              | 232,80,84                                       | 538,15,24                                        |
| Transfer to Investment Fluctuation Reserve                    |              | 4575,43,43                                      | 4647,87,02                                       |
| Transfer to Revenue and other Reserves                        |              | 2052,35,00                                      | 1168,44,00                                       |
| Dividend for the current year                                 |              | 10084,81,15                                     | 6336,47,42                                       |
| Balance carried over to Balance Sheet                         |              | 24098,71,82                                     | 5881,40,49                                       |
| <b>TOTAL</b>                                                  |              | <b>56113,85,85</b>                              | <b>28075,13,59</b>                               |
| <b>V. EARNINGS PER EQUITY SHARE (Face value ₹1 per share)</b> |              |                                                 |                                                  |
| Basic (in ₹)                                                  |              | 56.29                                           | 35.49                                            |
| Diluted (in ₹)                                                |              | 56.29                                           | 35.49                                            |
| Significant Accounting Policies                               | 17           |                                                 |                                                  |
| Notes to Accounts                                             | 18           |                                                 |                                                  |

Schedules referred to above form an integral part of the Profit & Loss Account.

**Shri Alok Kumar Choudhary**  
Managing Director  
(Retail Business & Operations)

**Shri Ashwini Kumar Tewari**  
Managing Director  
(Risk, Compliance & SARG)

**Shri Swaminathan J.**  
Managing Director  
(Corporate Banking &  
Subsidiaries)

**Shri Challa Sreenivasulu Setty**  
Managing Director  
(International Banking, Global  
Markets & Technology)

## Directors:

Shri B. Venugopal  
Dr. Ganesh G Natarajan  
Shri Ketan S. Vikamsey  
Shri Mrugank M. Paranjape  
Shri Prafulla P. Chhajed  
Ms. Swati Gupta  
Shri Anil Kumar Sharma

**Shri Dinesh Kumar Khara**  
Chairman

**Place: Mumbai**

**Date: 18<sup>th</sup> May 2023**

In terms of our report of even date

**For K C Mehta & Co LLP**

Chartered Accountants  
Firm Regn. No. 106237W/W100829

**For ASA & Associates LLP**

Chartered Accountants  
Firm Regn. No. 009571N/N500006

**For Prem Gupta & Co.**

Chartered Accountants  
Firm Regn. No. 000425N

**CA Chirag Bakshi**

Partner: M. No. 047164

**CA Prateet Mittal**

Partner: M. No. 402631

**CA Shakun Gupta**

Partner: M. No. 506838

**For Guha Nandi & Co.**

Chartered Accountants  
Firm Regn. No. 302039E

**For M C Bhandari & Co.**

Chartered Accountants  
Firm Regn. No. 303002E

**For V Singhi & Associates**

Chartered Accountants  
Firm Regn. No. 311017E

**Dr. B. S. Kundu**

Partner: M. No. 051221

**CA Nikhil Jain**

Partner: M. No. 301150

**CA Aniruddha Sengupta**

Partner: M. No. 051371

**For Suri & Co.**

Chartered Accountants  
Firm Regn. No. 004283S

**For Talati & Talati LLP**

Chartered Accountants  
Firm Regn. No. 110758W/W100377

**For Ravi Rajan & Co. LLP**

Chartered Accountants  
Firm Regn. No. 009073N/N500320

**CA V Natarajan**

Partner: M. No. 223118

**CA Anand Sharma**

Partner: M. No. 129033

**CA Sumit Kumar**

Partner: M. No. 512555

**For Gokhale & Sathe**

Chartered Accountants  
Firm Regn. No. 103264W

**For M K Aggarwal & Co.**

Chartered Accountants  
Firm Regn. No. 001411N

**For JLN US & Co.**

Chartered Accountants  
Firm Regn. No. 101543W

**CA Jayant Gokhale**

Partner: M. No. 033767

**CA Atul Aggarwal**

Partner: M. No. 099374

**CA Shalabh Kumar Daga**

Partner: M. No. 401428

Place: Mumbai

Date: 18<sup>th</sup> May 2023

# SCHEDULES

forming part of the Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

## SCHEDULE 13 - INTEREST EARNED

(000s omitted)

|                                                                                 | Year ended<br>31.03.2023<br>(Current Year)<br>₹ | Year ended<br>31.03.2022<br>(Previous Year)<br>₹ |
|---------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Interest/ discount on advances/ bills                                        | 221400,64,68                                    | 171823,73,09                                     |
| II. Income on investments                                                       | 95928,26,71                                     | 84877,20,42                                      |
| III. Interest on balances with Reserve Bank of India and other inter-bank funds | 3491,01,12                                      | 4377,91,06                                       |
| IV. Others                                                                      | 11283,13,51                                     | 14378,44,47                                      |
| <b>TOTAL</b>                                                                    | <b>332103,06,02</b>                             | <b>275457,29,04</b>                              |

## SCHEDULE 14 - OTHER INCOME

(000s omitted)

|                                                                                                                  | Year ended<br>31.03.2023<br>(Current Year)<br>₹ | Year ended<br>31.03.2022<br>(Previous Year)<br>₹ |
|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Commission, exchange and brokerage                                                                            | 26244,65,58                                     | 24565,21,06                                      |
| II. Profit/(Loss) on sale of investments (Net)                                                                   | 3290,00,26                                      | 3485,08,43                                       |
| III. Profit/(Loss) on revaluation of investments (Net)                                                           | (4644,43,56)                                    | (263,27,88)                                      |
| IV. Profit/(Loss) on sale of land, buildings and other assets (Net)                                              | (29,78,85)                                      | (16,86,60)                                       |
| V. Profit/(Loss) on exchange transactions (Net)                                                                  | 5284,68,59                                      | 3479,04,06                                       |
| VI. Income earned by way of dividends etc., from subsidiaries/ companies and/ or joint ventures abroad/ in India | 855,10,80                                       | 718,37,49                                        |
| VII. Miscellaneous Income <sup>1</sup>                                                                           | 5615,36,94                                      | 8596,34,84                                       |
| <b>TOTAL</b>                                                                                                     | <b>36615,59,76</b>                              | <b>40563,91,40</b>                               |

<sup>1</sup> Miscellaneous Income includes Recoveries made in write-off accounts ₹7097,30,65 thousand (Previous Year ₹7781,69,59 thousand).

## SCHEDULE 15 - INTEREST EXPENDED

(000s omitted)

|                                                             | Year ended<br>31.03.2023<br>(Current Year)<br>₹ | Year ended<br>31.03.2022<br>(Previous Year)<br>₹ |
|-------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Interest on deposits                                     | 162418,04,53                                    | 141247,47,11                                     |
| II. Interest on Reserve Bank of India/Inter-bank borrowings | 18080,16,02                                     | 7779,35,70                                       |
| III. Others                                                 | 6764,35,01                                      | 5722,87,62                                       |
| <b>TOTAL</b>                                                | <b>187262,55,56</b>                             | <b>154749,70,43</b>                              |



## SCHEDULE 16 - OPERATING EXPENSES

(000s omitted)

|                                                                                 | Year ended<br>31.03.2023<br>(Current Year)<br>₹ | Year ended<br>31.03.2022<br>(Previous Year)<br>₹ |
|---------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Payments to and provisions for employees <sup>2</sup>                        | 57291,84,28                                     | 57561,98,54                                      |
| II. Rent, taxes and lighting                                                    | 5702,00,53                                      | 5362,15,52                                       |
| III. Printing and stationery                                                    | 705,42,59                                       | 615,09,43                                        |
| IV. Advertisement and publicity                                                 | 323,38,66                                       | 316,15,73                                        |
| V. Depreciation on Bank's property                                              | 3297,27,04                                      | 3248,58,59                                       |
| VI. Directors' fees, allowances and expenses                                    | 1,56,38                                         | 1,70,49                                          |
| VII. Auditors' fees and expenses (including branch auditors' fees and expenses) | 270,79,10                                       | 270,60,67                                        |
| VIII. Law charges                                                               | 271,61,16                                       | 241,38,60                                        |
| IX. Postages, Telegrams, Telephones etc.                                        | 536,54,31                                       | 507,66,87                                        |
| X. Repairs and maintenance                                                      | 1069,68,01                                      | 1036,20,89                                       |
| XI. Insurance                                                                   | 5758,03,98                                      | 5239,81,42                                       |
| XII. Other expenditure                                                          | 22514,97,57                                     | 18996,14,77                                      |
| <b>TOTAL</b>                                                                    | <b>97743,13,61</b>                              | <b>93397,51,52</b>                               |

<sup>2</sup>Payments to and provisions for employees includes exceptional item of Nil (Previous Year ₹7418,39,00 thousand) for enhancement in Family Pension under 11th Bipartite Settlement and Joint Note dated 11<sup>th</sup> November 2020.

# SCHEDULES

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

## **SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES**

### **A. Background:**

State Bank of India (SBI or the Bank) is a banking and financial services statutory body engaged in providing a wide range of products and services to individuals, commercial enterprises, large corporates, public bodies, and institutional customers. The Bank is governed by the Banking Regulation Act, 1949, and the State Bank of India Act, 1955.

Following are the Significant Accounting Policies i.e. the specific accounting principles and methods of applying these principles in the preparation and presentation of financial statements of the Bank.

### **B. Basis of Preparation:**

The accounting and reporting policies of the Bank conform to Generally Accepted Accounting Principles in India (Indian GAAP), comprising of regulatory norms, directions & guidelines prescribed by the Reserve Bank of India (RBI), statutory guidelines of the State Bank of India Act, 1955, and the Banking Regulation Act, 1949, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI), and the accounting practices prevalent in the banking industry in India.

In case of foreign offices, the statutory provisions, and practices of the local laws of the respective foreign country are followed if they are more prudent.

Bank's financial statements are prepared under the historical cost convention, with fundamental accounting assumptions of going concern, consistency and accrual, unless otherwise stated.

The financial statements have been prepared in accordance with requirements under the Third Schedule of the Banking Regulation Act, 1949.

### **C. Use of Estimates:**

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management

believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

### **D. Significant Accounting Policies:**

#### **1. Revenue recognition:**

- 1.1 Income and expenditure are accounted on accrual basis, except otherwise stated.
- 1.2 Interest/Discount income is recognized in the Profit and Loss Account on realisation basis for following:
  - i. Income from Non-Performing Assets (NPAs) including investments, as per the prudential norms prescribed by RBI/respective country regulators in the case of foreign offices (hereafter collectively referred to as Regulatory Authorities),
  - ii. Income on Rupee Derivatives designated as "Trading".
- 1.3 In accordance with the guidelines issued by the Reserve Bank of India, Profit on sale of investments in the Held to Maturity (HTM) category and on sale of Fixed Assets is appropriated to Capital Reserve, net of applicable taxes and amount required to be transferred to Statutory Reserve.

The discount if any, on acquisition of investments in Held to Maturity (HTM) category is accounted as follows:

  - a) on interest bearing securities, it is accounted for at the time of sale/redemption.
  - b) on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.
- 1.4 Dividend income is recognized when the right to receive the dividend is established.
- 1.5 Commission on Letters of Credit (LC)/Bank Guarantee (BG), Deferred Payment Guarantee, Government Business, ATM interchange fee & "Upfront fee on restructured account" are recognized on accrual basis proportionately over the period. All other commission and fee income are accounted on a realisation basis.

- 1.6 One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over the average loan period of 15 years.
- 1.7 Brokerage, Commission etc. paid/ incurred in connection with the issue of Bonds/ Deposits are amortised over the tenure of related Bonds/ Deposits and the expenses incurred in connection with the issue are charged upfront.
- 1.8 The Bank derecognises its financial assets when it sells to Securitisation Company (SC)/ Reconstruction Company (RC), and accounts for as under:
  - i. If the sale is at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale.
  - ii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received.

## 2. Investments:

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation, as given below:

### 2.1 Classification:

As per RBI guidelines, investments are classified into Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) categories.

For disclosure in Balance Sheet, the investments are classified as Investments in India and outside India.

- Under each category, the investments in India are further classified as (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and Joint Ventures and (vi) Others.
- The investments outside India are further classified as (i) Government Securities (ii) Subsidiaries and Joint Ventures (iii) Other Investments.

### 2.2 Basis of classification:

- i. Investments that the Bank intends to hold till maturity are categorised as “Held to Maturity (HTM)”.
- ii. Investments that are held principally for resale within 90 days from the date of purchase are categorised as “Held for Trading (HFT)”.
- iii. Investments, which are not classified in above two categories, are classified as “Available for Sale (AFS)”.
- iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.
- v. Investments in subsidiaries and joint ventures are classified as HTM except in respect of those investments which are acquired and held exclusively with a view to its subsequent disposal. These investments are classified as AFS.

### 2.3 Valuation:

- i. The transactions in all securities are recorded on a Settlement Date and cost is determined on the weighted average cost method except for investments under HTM category which are accounted on FIFO basis (First In First Out).
  - a) Brokerage/commission received on subscriptions is reduced from the cost. Brokerage, Commission, Securities Transaction Tax (STT) etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
  - b) Broken period interest paid/received on debt instruments is treated as interest expense/income and is excluded from cost/sale consideration.

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

## ii. Valuation of investments classified as Held to Maturity:

- a) Investments under Held to Maturity category are carried at acquisition cost. The premium paid on acquisition if any, is amortised over the term to maturity on a constant yield basis. Such amortisation of premium is accounted as income on investments.
- b) Investments (in India and abroad) in subsidiaries, joint ventures and associates are valued at historical cost. A provision is made for diminution, other than temporary, for each investment individually.
- c) Investments in Regional Rural Banks are valued at carrying cost (i.e. book value).

## iii. Valuation of investments classified as Available for Sale and Held for Trading:

Investments classified as Available for Sale and Held for Trading are individually revalued at market price or fair value determined as per the regulatory guidelines and the net depreciation if any, of each group for each category (viz. (i) Government securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and Joint Ventures and (vi) others) is provided for and net appreciation is ignored.

## iv. Valuation policy in event of inter category transfer of investments:

- a) Transfer of securities from HFT/AFS category to HTM category is carried out at the lower of acquisition cost/ book value/ market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for.
- b) Transfer of securities from HTM category to AFS category is carried out on acquisition price/book value. On transfer, these securities are immediately revalued and resultant depreciation, if any, is provided, in the Profit and Loss Account.

## v. Valuation in case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts:

- a) The investment in security receipts obtained by way of sale of NPA to SC / RC, is recognized at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR.
  - b) SRs issued by an SC / ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC / ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC / ARC, is reckoned for valuation of such investments.
- vi. Treasury Bills and Commercial Papers are valued at carrying cost.

## 2.4 Investments (NPI):

- i. In respect of domestic offices, based on the guidelines issued by RBI, investments are classified as performing and non-performing as follows:
  - a) Interest/instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.
  - b) In the case of equity shares, in the event the investment in shares of any company is valued at ₹1 per company on account of non-availability of the latest balance sheet, those equity shares would be reckoned as NPI.
  - c) The Bank also classifies an investment as a non-performing investment in case any credit facility availed by the same borrower/entity has been classified as a non-performing asset and vice versa. The above is applied to Preference Shares where the fixed dividend is not paid.

- d) The investments in debentures/bonds, which are deemed to be advance, are also subjected to NPI norms as applicable to investments.
- ii. In respect of foreign offices, classification and provisions for non-performing investments (NPIs) are made as per the local regulations or as per the norms of RBI, whichever are more prudent.

## 2.5 Accounting for Repo/Reverse Repo transactions:

The Bank enters Repurchase and Reverse Repurchase Transactions with RBI under Liquidity Adjustment Facility (LAF) and with market participants. Repurchase Transaction represents borrowing by selling the securities with an agreement to repurchase the securities. Reverse Repo Transactions on the other hand, represent lending funds by purchasing the securities.

- i. Transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Collateralised Lending and Borrowing transactions.
- ii. In Repo and Reverse Repo transaction, securities sold (purchased) and repurchased (resell) are accounted as normal outright sale (purchase) transactions and such movement of securities is reflected using the Repo/Reverse Repo Accounts and contra entries. The above entries are reversed on the date of maturity.
- iii. Balance in Repo Account is classified under Schedule 4 'Borrowings'.
- iv. All type of Reverse Repos with RBI including those under Liquidity Adjustment Facility are presented under sub item (ii) 'In Other Accounts' of item (II) Balances with RBI under Schedule 6 'Cash and balances with RBI'.
- v. Reverse Repos with banks and other institutions having original tenors up to and inclusive of 14 days are classified as Money at call and short notice under Schedule 7 'Balance with Banks and Money at call & short notice'. Reverse Repos with original maturity more than 14 days but up to 1 year are classified as Cash Credits, overdrafts and

loans repayable on demand, under Schedule 9 'Advances'. All other Reverse Repos are classified as Term Loans under Schedule 9 'Advances'.

- vi. Borrowing cost of repo transactions and revenue on reverse repo transactions, with RBI or others, is accounted for as interest expense and interest income, respectively.

## 3. Loans/Advances and Provisions thereon:

3.1 Based on the guidelines/directives issued by the RBI, Loans and Advances are classified as performing and non-performing, as follows:

- i. A term loan is classified as a non-performing asset, if interest and/or instalment of principal remains overdue for a period of more than 90 days.
- ii. An Overdraft or Cash Credit is classified as a non-performing asset, if, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance sheet, or if the credits are not adequate to cover the interest debited during the same period.
- iii. The bills purchased/discounted are classified as Non-performing Asset, if the bill remains overdue for a period of more than 90 days.
- iv. The agricultural advances are classified as a non-performing if, (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

3.2 NPAs are classified into Sub-standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

- i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

- iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

- 3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

|                             |                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Sub-standard Assets:</b> | <p>i. A general provision of 15% on the total outstanding.</p> <p>ii. Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio).</p> <p>iii. Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available – 20%.</p> |
| <b>Doubtful Assets:</b>     |                                                                                                                                                                                                                                                                                                                                                                               |
| -Secured portion:           | <p>i. Up to one year – 25%</p> <p>ii. One to three years – 40%</p> <p>iii. More than three years – 100%</p>                                                                                                                                                                                                                                                                   |
| -Unsecured portion          | 100%                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Loss Assets:</b>         | 100%.                                                                                                                                                                                                                                                                                                                                                                         |

- 3.4 In respect of foreign offices, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more prudent.
- 3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.
- 3.6 For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans/advances before and after restructuring is provided for, in addition to provision for the respective loans/advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.
- 3.7 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.

- 3.8 Amounts recovered against debts written off in earlier years are recognized as revenue in the year of recovery.

- 3.9 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.

- 3.10 The Bank also makes additional provisions on specific non-performing assets.

- 3.11 Appropriation of recoveries in NPAs are made in order of priority as under:

- Charges, Costs, Commission etc.
- Unrealized Interest/Interest
- Principal

However, in Compromise and Resolution/Settlement through National Company Law Tribunal (NCLT) cases, the recoveries are appropriated as per the terms of respective compromise/ resolution/ settlement. In case of suit filed accounts, recovery is appropriated as per directives of respective courts.

## 4. Floating Provisions & Countercyclical Provisioning Buffer:

The Bank has a policy for creation and utilisation of Countercyclical Provisioning Buffer in good times as well as for floating provisions separately for advances, investments, and general purposes. The quantum of floating provisions and Countercyclical Provisioning Buffer to be created is assessed at the end of the financial year. These provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

## 5. Provision for Country Exposure:

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-

credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others".

## 6. Derivatives:

- 6.1 The Bank enters in derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, cross currency interest rate swaps and forward rate agreements to hedge on-balance sheet/off-balance sheet assets and liabilities or for trading purposes. The swap contracts entered to hedge on-balance sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments is correlated with the movement of the underlying assets and accounted in accordance with the principles of hedge accounting.
- 6.2 Derivative contracts classified as hedge are recorded on accrual basis. Hedge contracts are not marked to market unless the underlying assets/liabilities are also marked to market.
- 6.3 Except as mentioned above, all other derivative contracts are marked to market as per the Generally Accepted Accounting Practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognized in the Profit and Loss Account in the period of change. Any receivable under derivative contracts, which remain overdue for more than 90 days, are reversed through Profit and Loss Account to "Suspense Account Crystallised Receivables". In cases where the derivative contracts provide for more settlement in future and if the derivative contract is not terminated on the overdue receivables remaining unpaid for 90 days, the positive MTM pertaining to future receivables is also reversed from Profit and Loss Account to "Suspense Account – Positive MTM".
- 6.4 Option premium paid or received is recorded in Profit and Loss Account at the expiry of the option. The balance in the premium received on options sold and premium paid on options bought is

considered to arrive at Mark-to-Market value for forex Over the Counter (OTC) options.

- 6.5 Exchange Traded Derivatives entered in for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

## 7. Fixed Assets, Depreciation and Amortisation:

- 7.1 Fixed Assets are carried at cost less accumulated depreciation/amortisation except for freehold premises carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation, as stated otherwise.
- 7.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put-to-use. Subsequent expenditure(s) incurred on the assets put-to-use are capitalised only when it increases the future benefits from such assets or their functioning capability. The fixed assets in domestic offices are depreciated at straight-line method based on useful life of the assets stated as under:

| Sr. No. | Description of Fixed Assets                                                                                  | Useful life for Depreciation |
|---------|--------------------------------------------------------------------------------------------------------------|------------------------------|
| i.      | Computers                                                                                                    | 3 years                      |
| ii.     | Computer Software forming an integral part of the computer hardware                                          | 3 years                      |
| iii.    | Computer Software which does not form an integral part of Computer hardware and cost of Software Development | 3 years                      |
| iv.     | Automated Teller Machine/ Cash Deposit Machine/ Coin Dispenser/ Coin Vending Machine                         | 5 years                      |
| v.      | Server                                                                                                       | 4 years                      |
| vi.     | Network Equipment                                                                                            | 5 years                      |
| vii.    | <u>Other major fixed assets:</u>                                                                             |                              |
|         | Premises                                                                                                     | 60 years                     |
|         | Vehicles                                                                                                     | 5 years                      |
|         | Safe Deposit Lockers                                                                                         | 20 years                     |
|         | Furniture & Fixtures                                                                                         | 10 years                     |



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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

- 7.3 In respect of assets acquired during the year (for domestic operations), depreciation is charged on proportionate basis for the number of days the assets have been put-to-use during the year.
- 7.4 Assets costing less than ₹1,000 each are charged off in the year of purchase.
- 7.5 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease (except for premises and land on perpetual lease) and Lease payments for assets taken on Operating lease are recognized as expense in the Profit & Loss account over the lease term on straight-line basis.
- 7.6 In respect of fixed assets held at foreign offices, depreciation is provided as per the regulations/norms of the respective countries.
- 7.7 The Bank revalue freehold immovable assets at every three years. The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to General Reserve. The revalued asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

## 8. Leases:

The asset classification and provisioning norms applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

## 9. Impairment of Assets:

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

## 10. Effect of changes in the foreign exchange rate:

### 10.1 Foreign Currency Transactions:

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/forward) rates.
- iii. Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.
- iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.
- v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognized in the Profit and Loss Account.
- vi. Foreign exchange forward contracts which are not intended for trading and are outstanding on the balance sheet date, are re-valued at the closing spot rate. The premium or discount arising at the inception of such forward exchange contract is amortised as expense or income over the life of the contract.
- vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognized as income or as expense in the period in which they arise.
- viii. Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognized in the Profit and Loss Account.



## 10.2 Foreign Operations:

Foreign Branches of the Bank and Offshore Banking Units (OBU) have been classified as Non-integral Operations and Representative Offices have been classified as Integral Operations.

### i. Non-integral Operations:

- a. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- b. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.
- c. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.
- d. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country on the balance sheet date.

### ii. Integral Operations:

- a. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- b. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/Forward) exchange rates notified by FEDAI at the balance sheet date and the resulting Profit/Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.

- c. Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

## 11. Employee Benefits:

### 11.1 Short-Term Employee Benefits:

The undiscounted amounts of short-term employee benefits, such as medical benefits which are expected to be paid in exchange for the services rendered by employees, are recognized during the period when the employee renders the service.

### 11.2 Long-Term Employee Benefits:

#### i. Defined Benefit Plans:

- a. The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes to the fund at 10% of employee's basic pay plus eligible allowance monthly. These contributions are remitted to a Trust established for this purpose and are charged to Profit and Loss Account. The Bank recognizes such annual contributions as an expense in the year to which it relates. Shortfall, if any, is provided for based on actuarial valuation.
- b. The Bank operates Gratuity and Pension schemes which are defined benefit plans.
  - The Bank provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities or Service Gratuity without cap for erstwhile Associate Bank's employees. Vesting occurs upon completion of five years of service. The Bank makes

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periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.

- The Bank provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the Pension Fund at 10% of salary in terms of SBI Employees' Pension Fund Regulations. The pension liability is reckoned based on an independent actuarial valuation carried out annually and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the Pension Fund Regulations.
- c. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains/losses are immediately recognized in the Profit and Loss Account and are not deferred.

## ii. Defined Contribution Plan:

The Bank operates a New Pension Scheme (NPS) for all officers/employees joining the Bank on or after 1<sup>st</sup> August 2010, which is a defined contribution plan. (Such new joiners not being entitled to become members of the existing SBI Pension Scheme). As per the scheme, these employees contribute 10% of their basic pay plus dearness allowance to the scheme together with Bank's contribution at 14% of basic pay plus dearness allowance. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in the Bank and earn interest at the rate applicable to Provident Fund balance. The

Bank recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

## iii. Other Long Term Employee Benefits:

- a. All eligible employees of the Bank are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The cost of such long-term employee benefits are internally funded by the Bank.
- b. The cost of providing other long-term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost, if any, is immediately recognized in the Profit and Loss Account and is not deferred.

11.3 Employee benefits relating to employees employed at foreign offices are valued and accounted for as per the respective local laws/regulations.

## 12. Segment Reporting:

The Bank recognizes the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

## 13. Taxes on income:

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – "Accounting for Taxes on Income" respectively after considering taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions. Deferred Tax

adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognized by considering the impact of timing differences between taxable income and accounting income for the current year and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognized in the profit and loss account. Deferred tax assets are recognized and re-assessed at each reporting date, based upon management's judgement as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

#### **14. Earnings per Share:**

- 14.1 The Bank reports basic and diluted earnings per share in accordance with AS 20 –“Earnings per Share” issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.
- 14.2 Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

#### **15. Provisions, Contingent Liabilities and Contingent Assets:**

- 15.1 In conformity with AS 29, “Provisions, Contingent Liabilities and Contingent Assets”, issued by the Institute of Chartered Accountants of India, the Bank recognizes provisions only when it has a present obligation because of a past event, and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

15.2 No provision is recognized for:

- i) any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or
- ii) any present obligation that arises from past events but is not recognized because:
  - a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - b) a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

15.3 Provision for reward points in relation to the debit card holders of the Bank is being provided for on actuarial estimates.

15.4 Provisions for onerous contracts are recognized when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognizes any impairment loss on the assets associated with that contract.

15.5 Contingent Assets are not recognized in the financial statements.

#### **16. Bullion Transactions:**

The Bank imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on price quoted by the supplier. The Bank earns a fee on such bullion transactions. The fee

## SCHEDULES

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

is classified under commission income. The Bank also accepts deposits and lends gold, which is treated as deposits/ advances as the case may be with the interest paid/ received classified as interest expense/ income. Gold Deposits, Metal Loan Advances and closing Gold Balances are valued at available Market Rate as on the date of Balance Sheet.

### **17. Special Reserves:**

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors of the

Bank has passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

### **18. Share Issue Expenses:**

Share issue expenses are charged to the Share Premium Account.

### **19. Cash and cash equivalents:**

Cash and cash equivalents include Cash and Balances with RBI, Balances with Banks and money at call and short notice.

## SCHEDULE - 18: NOTES TO ACCOUNTS

### 18.1 Regulatory Capital

#### a) Composition of Regulatory Capital (As per Basel III)

(₹ in Crore)

| Sr. No. | Items                                                                                                         | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
|---------|---------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| i)      | Common Equity Tier 1 capital                                                                                  | 2,85,834.97                          | 2,46,360.79                          |
| ii)     | Additional Tier 1 capital                                                                                     | 49,692.70                            | 36,709.70                            |
| iii)    | Tier 1 capital (i + ii)                                                                                       | 3,35,527.67                          | 2,83,070.49                          |
| iv)     | Tier 2 capital                                                                                                | 73,051.40                            | 59,721.52                            |
| v)      | Total capital (Tier 1 + Tier 2)                                                                               | 4,08,579.07                          | 3,42,792.01                          |
| vi)     | Total Risk Weighted Assets (RWAs)                                                                             | 27,83,058.70                         | 24,78,703.46                         |
| vii)    | CET 1 Ratio (%)<br>(CET 1 as a percentage of RWAs)                                                            | 10.27%                               | 9.94%                                |
| viii)   | Tier 1 capital ratio (%)<br>(Tier 1 capital as a percentage of RWAs)                                          | 12.06%                               | 11.42%                               |
| ix)     | Tier 2 capital ratio (%)<br>(Tier 2 capital as a percentage of RWAs)                                          | 2.62%                                | 2.41%                                |
| x)      | Capital to Risk Weighted Assets Ratio (CRAR) (%)<br>(Total capital as a percentage of RWAs)                   | 14.68%                               | 13.83%                               |
| xi)     | Leverage ratio                                                                                                | 5.52%                                | 5.09%                                |
| xii)    | Percentage of the Shareholding of Government of India                                                         | 56.92%                               | 56.92%                               |
| xiii)   | Amount of paid-up equity capital raised during the year                                                       | \$                                   | --                                   |
| xiv)    | Amount of non-equity Tier 1 capital raised during the year:<br>Basel III compliant Perpetual Debt Instruments | 15,133.00                            | 13,974.00                            |
| xv)     | Amount of Tier 2 capital raised during the year:<br>Basel III compliant Debt Capital instruments              | 4,000.00                             | --                                   |

RBI vide circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated 1<sup>st</sup> March 2016, has given discretion to banks to consider Revaluation Reserve, Foreign Currency Translation Reserve and Deferred Tax Asset for purposes of computation of Capital Adequacy as CET- I capital ratio. The Bank has exercised the option in the above computation.

\$ The Bank during the year, has allotted 400 equity shares of ₹1/- each for cash at a premium of ₹158/- per equity share out of 7,93,630 shares (issued as a part of Right Issue-2008) allotment of which was held in abeyance for resolution of title dispute. Out of the total subscription of ₹63,600/- received, ₹400/- was transferred to Share Capital Account and ₹63,200/- to Share Premium Account. As on 31<sup>st</sup> March 2023 allotment of 7,93,230 shares is held in abeyance.

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

### b) Drawdown from Reserves:

During the year, there has been no draw down from the reserves to the Profit & Loss Account.

### c) Innovative Perpetual Debt Instruments (IPDI)

The details of IPDI issued which qualify for Hybrid Tier I Capital and outstanding are as under:

| (₹ in Crore) |                                                                      |                  |               |                         |
|--------------|----------------------------------------------------------------------|------------------|---------------|-------------------------|
| Sr. No.      | Nature of Bonds                                                      | Principal Amount | Date of Issue | Rate of Interest % p.a. |
| i)           | SBI Non-Convertible Unsecured Basel III AT 1 Bonds 2018              | 4,021.00         | 04.12.2018    | 9.56                    |
| ii)          | SBI Non-Convertible Unsecured Basel III AT 1 Bonds 2018 Series II    | 2,045.00         | 21.12.2018    | 9.37                    |
| iii)         | SBI Non-Convertible Unsecured Basel III AT 1 Bonds 2018 Series III   | 1,251.30         | 22.03.2019    | 9.45                    |
| iv)          | SBI Non-Convertible Unsecured Basel III AT 1 Bonds 2019-20 Series I  | 3,104.80         | 30.08.2019    | 8.75                    |
| v)           | SBI Non-Convertible Unsecured Basel III AT 1 Bonds 2019-20 Series II | 3,813.60         | 22.11.2019    | 8.50                    |
| vi)          | SBI Non-Convertible Unsecured Basel III AT1 Bonds 2020-21 Series 1   | 4,000.00         | 09.09.2020    | 7.74                    |
| vii)         | SBI Non-Convertible Unsecured Basel III AT1 Bonds – Series II 2020   | 2,500.00         | 24.11.2020    | 7.73                    |
| viii)        | SBI Non-Convertible Unsecured Basel III AT1 Bonds Series I 2021      | 4,000.00         | 03.09.2021    | 7.72                    |
| ix)          | SBI Non-Convertible Unsecured Basel III AT1 Bonds Series II 2021     | 6,000.00         | 18.10.2021    | 7.72                    |
| x)           | SBI Non-Convertible Unsecured Basel III AT1 Bonds Series III 2021    | 3,974.00         | 14.12.2021    | 7.55                    |
| xi)          | SBI Non-Convertible Unsecured Basel III AT1 Bonds Series I 2022-23   | 6,872.00         | 09.09.2022    | 7.75                    |
| xii)         | SBI Non-Convertible Unsecured Basel III AT1 Bonds Series II 2022-23  | 4,544.00         | 21.02.2023    | 8.20                    |
| xiii)        | SBI Non-Convertible Unsecured Basel III AT1 Bonds Series III 2022-23 | 3,717.00         | 09.03.2023    | 8.25                    |
| <b>Total</b> |                                                                      | <b>49,842.70</b> |               |                         |

**d) Subordinated Debts**

The bonds are unsecured, long-term, non-convertible and are redeemable at par. The details of outstanding subordinate debts are as under: -

(₹ in Crore)

| Sr. No.      | Nature of Bonds                                                              | Principal Amount | Date of Issue /Date of Redemption | Rate of Interest % p.a. | Maturity Period in Months |
|--------------|------------------------------------------------------------------------------|------------------|-----------------------------------|-------------------------|---------------------------|
| i)           | SBI Non-Convertible<br>(Private placement) Bonds 2013-14<br>(Tier II)        | 2,000.00         | 02.01.2014<br>02.01.2024          | 9.69                    | 120                       |
| ii)          | e-SBM Tier II<br>Basel III compliant                                         | 500.00           | 17.12.2014<br>17.12.2024          | 8.55                    | 120                       |
| iii)         | e -SBP Tier II<br>Basel III compliant (Series I)                             | 950.00           | 22.01.2015<br>22.01.2025          | 8.29                    | 120                       |
| iv)          | e- SBBJ Tier II<br>Basel III compliant                                       | 200.00           | 20.03.2015<br>20.03.2025          | 8.30                    | 120                       |
| v)           | e -SBH Tier II<br>Basel III compliant (Series XIV)                           | 393.00           | 31.03.2015<br>31.03.2025          | 8.32                    | 120                       |
| vi)          | e -SBH Tier II<br>Basel III compliant (Series XV)                            | 500.00           | 30.12.2015<br>30.12.2025          | 8.40                    | 120                       |
| vii)         | e-SBM Tier II<br>Basel III compliant                                         | 300.00           | 31.12.2015<br>31.12.2025          | 8.40                    | 120                       |
| viii)        | e-SBM Tier II<br>Basel III compliant                                         | 200.00           | 18.01.2016<br>18.01.2026          | 8.45                    | 120                       |
| ix)          | e -SBH Tier II<br>Basel III compliant (Series XVI)                           | 200.00           | 08.02.2016<br>08.02.2026          | 8.45                    | 120                       |
| x)           | SBI Non-Convertible, Unsecured<br>Basel III - Tier II Bonds 2018-19          | 4,115.90         | 02.11.2018<br>02.11.2028          | 8.90                    | 120                       |
| xi)          | SBI Non-Convertible, Unsecured<br>Basel III - Tier II Bonds 2019-20          | 5,000.00         | 28.06.2019<br>28.06.2029          | 7.99                    | 120                       |
| xii)         | SBI Non-Convertible, Unsecured<br>Basel III -Tier II Bonds 2020-21 Series I  | 8,931.00         | 21.08.2020<br>21.08.2035          | 6.80                    | 180                       |
| xiii)        | SBI Non-Convertible, Unsecured<br>Basel III -Tier II Bonds 2020-21 Series II | 7,000.00         | 21.09.2020<br>21.09.2030          | 6.24                    | 120                       |
| xiv)         | SBI Non-Convertible, Unsecured<br>Basel III Tier 2 Bonds 2020-21 Series III  | 5,000.00         | 26.10.2020<br>26.10.2030          | 5.83                    | 120                       |
| vx)          | SBI Non-Convertible, Unsecured<br>Basel III Tier 2 Bonds 2022-2023 Series I  | 4,000.00         | 23.09.2022<br>23.09.2032          | 7.57                    | 180                       |
| <b>TOTAL</b> |                                                                              | <b>39,289.90</b> |                                   |                         |                           |

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

## 18.2 Asset Liability Management:

### a) Maturity pattern of certain items of assets and liabilities as at 31<sup>st</sup> March 2023

|                                              | Day 1                    | 2-7<br>Days                  | 8-14<br>Days             | 15 to 30<br>Days         | Over<br>31 days<br>and up to<br>2 months | Over<br>2 months<br>and up to<br>3 months | Over<br>3 months<br>and up to<br>6 months | Over<br>6 months<br>and up to<br>1 year | Over<br>1 year<br>and up to<br>3 years | Over<br>3 years<br>and up to<br>5 years | Over<br>5 years                | Total                          |
|----------------------------------------------|--------------------------|------------------------------|--------------------------|--------------------------|------------------------------------------|-------------------------------------------|-------------------------------------------|-----------------------------------------|----------------------------------------|-----------------------------------------|--------------------------------|--------------------------------|
|                                              | (₹ in Crore)             |                              |                          |                          |                                          |                                           |                                           |                                         |                                        |                                         |                                |                                |
| Deposits                                     | 62,021.01<br>(65,464.24) | 81,883.25<br>(79,811.62)     | 45,827.82<br>(49,407.77) | 64,120.64<br>(66,029.77) | 88,668.79<br>(74,518.20)                 | 60,036.93<br>(62,378.97)                  | 1,82,952.43<br>(1,89,876.16)              | 10,66,628.66<br>(9,51,227.96)           | 9,63,143.94<br>(8,88,676.97)           | 5,25,512.40<br>(4,42,764.54)            | 12,82,981.92<br>(12,01,377.92) | 44,23,777.78<br>(40,51,534.12) |
| Advances                                     | 43,124.35<br>(35,455.14) | 18,214.44<br>(17,489.88)     | 16,962.84<br>(21,462.78) | 41,105.18<br>(45,328.82) | 79,902.61<br>(57,802.93)                 | 60,557.90<br>(59,606.96)                  | 1,89,565.69<br>(1,53,396.53)              | 2,38,645.46<br>(2,20,131.63)            | 11,55,432.84<br>(9,63,157.51)          | 4,33,665.73<br>(3,58,491.91)            | 9,22,092.26<br>(8,01,642.50)   | 31,99,269.30<br>(27,33,966.59) |
| Investments                                  | 355.75<br>(324.55)       | 1,278.98<br>(1,146.46)       | 4,552.48<br>(4,577.73)   | 17,717.98<br>(3,851.73)  | 50,026.23<br>(9,930.25)                  | 25,047.13<br>(21,605.55)                  | 62,332.71<br>(58,778.27)                  | 1,86,969.71<br>(96,380.18)              | 2,61,846.37<br>(3,88,944.97)           | 2,38,318.28<br>(2,54,458.06)            | 7,21,920.61<br>(6,41,447.72)   | 15,70,366.23<br>(14,81,445.47) |
| Borrowings                                   | 21.11<br>(58.99)         | 1,05,533.97<br>(1,50,299.24) | 16,840.87<br>(7,992.20)  | 28,535.79<br>(12,734.96) | 27,044.48<br>(18,023.76)                 | 37,140.22<br>(16,628.14)                  | 47,064.18<br>(27,877.17)                  | 55,395.05<br>(21,910.67)                | 66,095.16<br>(86,386.10)               | 53,366.85<br>(60,331.41)                | 56,097.48<br>(23,800.74)       | 4,93,135.16<br>(4,26,043.38)   |
| Foreign Currency<br>Assets*                  | 11,699.08<br>(10,959.11) | 8,291.75<br>(7,939.73)       | 8,689.76<br>(12,880.42)  | 21,566.10<br>(25,295.77) | 40,420.48<br>(31,319.50)                 | 42,014.10<br>(32,758.84)                  | 93,188.46<br>(60,542.17)                  | 73,245.98<br>(58,350.82)                | 1,38,699.09<br>(1,29,602.34)           | 1,08,321.98<br>(80,642.55)              | 61,971.61<br>(63,806.67)       | 6,08,108.41<br>(5,14,097.92)   |
| Foreign Currency<br>Liabilities <sup>§</sup> | 24,828.68<br>(30,609.40) | 10,034.84<br>(9,560.59)      | 9,639.00<br>(9,743.65)   | 30,962.01<br>(17,542.84) | 44,476.12<br>(22,526.37)                 | 50,917.06<br>(26,932.35)                  | 74,840.99<br>(43,668.69)                  | 82,402.52<br>(56,277.39)                | 74,915.44<br>(70,303.27)               | 54,743.19<br>(46,238.82)                | 28,376.66<br>(21,258.68)       | 4,86,136.50<br>(3,54,662.04)   |

\* Foreign Currency Assets represent advances and investments.

§ Foreign Currency Liabilities represent borrowings and deposits.

(Figures in brackets are as at 31<sup>st</sup> March 2022).

### b) Liquidity Coverage Ratio (LCR):

#### i) Standalone LCR

Liquidity Coverage Ratio (LCR) standard represents an unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under significantly severe liquidity stress scenario.

$$\text{LCR} = \frac{\text{Stock of high-quality liquid assets (HQLAs)}}{\text{Total net cash outflow over the next 30 calendar days}}$$

Liquid assets comprise of high-quality assets that can be readily encashed or used as collateral to obtain cash in a range of stress scenarios.

There are two categories of assets included in the stock of HQLAs, viz. Level 1 and Level 2 assets. While Level 1 assets are with 0% haircut, Level 2A and Level 2 B assets are with 15% and 50% haircuts respectively.

The total net cash outflow is the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days.

Total expected cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by the rates at which they are expected to run off or be drawn down.

Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in up to an aggregate cap of 75% of total expected cash outflows.



## Quantitative Disclosure:

(₹ in Crore)

| Liquidity Coverage Ratio (State Bank of India - Standalone)                   |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
|-------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|-------------------------------------------------|-----------------------------------------|--------------------------------------------------|-----------------------------------------|---------------------------------------------|-----------------------------------------|----------------------------------------------|-----------------------------------------|
| LCR COMPONENTS                                                                | Quarter ended<br>31 <sup>st</sup> March 2023 |                                         | Quarter ended<br>31 <sup>st</sup> December 2022 |                                         | Quarter ended<br>30 <sup>th</sup> September 2022 |                                         | Quarter ended<br>30 <sup>th</sup> June 2022 |                                         | Quarter ended<br>31 <sup>st</sup> March 2022 |                                         |
|                                                                               | Total<br>Unweighted<br>Value<br>(Average)    | Total<br>Weighted<br>Value<br>(Average) | Total<br>Unweighted<br>Value<br>(Average)       | Total<br>Weighted<br>Value<br>(Average) | Total<br>Unweighted<br>Value<br>(Average)        | Total<br>Weighted<br>Value<br>(Average) | Total<br>Unweighted<br>Value<br>(Average)   | Total<br>Weighted<br>Value<br>(Average) | Total<br>Unweighted<br>Value<br>(Average)    | Total<br>Weighted<br>Value<br>(Average) |
| <b>High Quality Liquid Assets (HQLA)</b>                                      |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| 1. Total High Quality Liquid Assets (HQLA)                                    |                                              | 12,13,100                               |                                                 | 11,73,646                               |                                                  | 11,94,963                               |                                             | 11,94,891                               |                                              | 11,26,684                               |
| <b>Cash Outflows</b>                                                          |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| 2. Retail Deposits and deposits from small business customers, of which:      |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| i) Stable deposits                                                            | 9,08,572                                     | 45,429                                  | 8,69,034                                        | 43,452                                  | 8,61,427                                         | 43,071                                  | 8,54,050                                    | 42,702                                  | 8,54,540                                     | 42,727                                  |
| ii) Less Stable Deposits                                                      | 21,03,084                                    | 2,10,308                                | 19,65,126                                       | 1,96,513                                | 19,26,234                                        | 1,92,623                                | 18,93,530                                   | 1,89,353                                | 18,66,220                                    | 1,86,622                                |
| 3. Unsecured wholesale funding, of which:                                     |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| i) Operational deposits (all counterparties)                                  | -                                            | -                                       | -                                               | -                                       | -                                                | -                                       | -                                           | -                                       | -                                            | -                                       |
| ii) Non-operational deposits (all counterparties)                             | 10,48,772                                    | 6,07,493                                | 11,34,193                                       | 7,21,643                                | 11,55,449                                        | 7,25,980                                | 11,26,583                                   | 6,86,012                                | 10,33,929                                    | 6,30,544                                |
| iii) Unsecured debt                                                           | -                                            | -                                       | -                                               | -                                       | -                                                | -                                       | -                                           | -                                       | -                                            | -                                       |
| 4. Secured wholesale funding                                                  | 1,37,680                                     | 222                                     | 1,59,708                                        | 1,004                                   | 1,43,236                                         | 457                                     | 1,66,298                                    | 88                                      | 1,76,267                                     | 25                                      |
| 5. Additional requirements, of which                                          |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| i) Outflows related to derivative exposures and other collateral requirements | 3,92,263                                     | 3,92,263                                | 4,20,855                                        | 4,20,855                                | 4,30,256                                         | 4,30,256                                | 4,83,581                                    | 4,83,581                                | 4,01,193                                     | 4,01,193                                |
| ii) Outflows related to loss of funding on debt products                      | -                                            | -                                       | -                                               | -                                       | -                                                | -                                       | -                                           | -                                       | -                                            | -                                       |
| iii) Credit and liquidity facilities                                          | 78,921                                       | 13,327                                  | 53,708                                          | 8,259                                   | 56,886                                           | 8,763                                   | 50,843                                      | 8,090                                   | 47,971                                       | 7,990                                   |
| 6. Other contractual funding obligations                                      | 46,656                                       | 46,656                                  | 42,354                                          | 42,354                                  | 39,279                                           | 39,279                                  | 40,079                                      | 40,079                                  | 38,146                                       | 38,146                                  |
| 7. Other contingent funding obligations                                       | 7,94,503                                     | 30,705                                  | 6,52,860                                        | 23,421                                  | 6,43,086                                         | 22,947                                  | 6,31,938                                    | 22,492                                  | 6,37,250                                     | 22,598                                  |
| 8. Total Cash Outflows                                                        | 55,10,450                                    | 13,46,403                               | 52,97,838                                       | 14,57,501                               | 52,55,854                                        | 14,63,376                               | 52,46,901                                   | 14,72,398                               | 50,55,515                                    | 13,29,845                               |
| <b>Cash Inflows</b>                                                           |                                              |                                         |                                                 |                                         |                                                  |                                         |                                             |                                         |                                              |                                         |
| 9. Secured lending (e.g. Reverse repos)                                       | 15,796                                       | -                                       | 11,056                                          | -                                       | 27,428                                           | -                                       | 92,946                                      | -                                       | 75,185                                       | -                                       |
| 10. Inflows from fully performing exposures                                   | 5,07,787                                     | 4,75,478                                | 5,40,938                                        | 5,10,381                                | 5,37,306                                         | 5,08,882                                | 5,97,328                                    | 5,68,504                                | 5,04,133                                     | 4,77,011                                |
| 11. Other cash inflows                                                        | 54,824                                       | 43,516                                  | 51,257                                          | 40,506                                  | 48,817                                           | 39,387                                  | 45,615                                      | 38,649                                  | 44,252                                       | 36,201                                  |
| 12. Total Cash Inflows                                                        | 5,78,408                                     | 5,18,994                                | 6,03,251                                        | 5,50,887                                | 6,13,551                                         | 5,48,268                                | 7,35,888                                    | 6,07,154                                | 6,23,571                                     | 5,13,212                                |
| 13. Total HQLA                                                                |                                              | 12,13,100                               |                                                 | 11,73,646                               |                                                  | 11,94,963                               |                                             | 11,94,891                               |                                              | 11,26,684                               |
| 14. Total Net Cash Outflows                                                   |                                              | 8,27,409                                |                                                 | 9,06,613                                |                                                  | 9,15,108                                |                                             | 8,65,244                                |                                              | 8,16,633                                |
| 15. Liquidity Coverage Ratio (%)                                              |                                              | 146.61%                                 |                                                 | 129.45%                                 |                                                  | 130.58%                                 |                                             | 138.10%                                 |                                              | 137.97%                                 |

In accordance with RBI guidelines vide circular No. RBI/2014-15/529 DBR, No. BP.BC.80/21.06.201/2014-15 dated 31<sup>st</sup> March 2015, average weighted and unweighted amounts have been calculated taking simple daily average. The Bank has considered 66 data points for the quarter January to March 2023.

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

Bank's LCR comes to 146.61% based on daily average of three months (Q4 FY22-23) and is above the minimum regulatory requirement of 100%. Average HQLA held during the quarter was ₹12,13,100 Crore, with 95.90% being Level 1 assets. Level 2A and Level 2B assets constitute 3.45% and 0.65% of total HQLA, respectively. Government Securities constituted 95.77% of Total Level 1 Assets. During the quarter, the weighted average HQLA level has increased by ₹39,454 Crore primarily on account of increase in excess SLR balance. Further, weighted average net cash outflows position has declined by ₹79,204 Crore during the quarter, mainly on account of decline in cash outflows under the head other legal entity customers. Derivative exposures are considered insignificant due to almost matching inflows and outflows position. During the quarter, LCR for USD (significant Foreign Currency constituting more than 5% of the Balance Sheet of the Bank) was at 295.17%, on an average.

Liquidity Management in the Bank is driven by the ALM Policy of the Bank and regulatory prescriptions. The Domestic and International Treasuries are apprising the liquidity position to the Asset Liability Management Committee (ALCO) of the Bank. The ALCO has been empowered by the Bank's Board to formulate the Bank's funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Bank. All the major decisions of ALCO are being reported to the Bank's Board subsequently. In addition to daily/monthly LCR reporting, Bank also prepares daily Structural Liquidity statements to assess the liquidity needs of the Bank on an ongoing basis.

The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, which are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future commitments.

### ii) Consolidated LCR

The RBI through a supplementary guideline issued on 31<sup>st</sup> March 2015 had stipulated the implementation of LCR at a consolidated level from January 1, 2016 and accordingly, LCR has been computed at Group level. The entities covered in the Group LCR are SBI and seven Overseas Banking Subsidiaries - Commercial Indo Bank LLC, Moscow, Nepal SBI Bank Ltd., State Bank of India (California), SBI Canada Bank, State Bank of India (Mauritius) Ltd, PT Bank SBI Indonesia and State Bank of India (UK) Ltd. SBI Group LCR comes to 148.30% as on 31<sup>st</sup> March 2023 based on average of three months January, February and March 2023, which is above the minimum regulatory requirement of 100%.

The Group has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, and such funding sources are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future short-term requirements.

## Group Liquidity Coverage Ratio (LCR) as on quarter ended 31.03.2023 (January-March, 2023)

(₹ in Crore)

| Liquidity Coverage Ratio (State Bank of India Group)                          |                                              |                                |                                                 |                                |                                                  |                                |                                             |                                |                                              |                                |
|-------------------------------------------------------------------------------|----------------------------------------------|--------------------------------|-------------------------------------------------|--------------------------------|--------------------------------------------------|--------------------------------|---------------------------------------------|--------------------------------|----------------------------------------------|--------------------------------|
| GLCR COMPONENTS                                                               | Quarter ended<br>31 <sup>st</sup> March 2023 |                                | Quarter ended<br>31 <sup>st</sup> December 2022 |                                | Quarter ended<br>30 <sup>th</sup> September 2022 |                                | Quarter ended<br>30 <sup>th</sup> June 2022 |                                | Quarter ended<br>31 <sup>st</sup> March 2022 |                                |
|                                                                               | Total                                        | Total                          | Total                                           | Total                          | Total                                            | Total                          | Total                                       | Total                          | Total                                        | Total                          |
|                                                                               | Unweighted<br>Value<br>(Average)**           | Weighted<br>Value<br>(Average) | Unweighted<br>Value<br>(Average)**              | Weighted<br>Value<br>(Average) | Unweighted<br>Value<br>(Average)**               | Weighted<br>Value<br>(Average) | Unweighted<br>Value<br>(Average)**          | Weighted<br>Value<br>(Average) | Unweighted<br>Value<br>(Average)**           | Weighted<br>Value<br>(Average) |
| <b>High Quality Liquid Assets (HQLA)</b>                                      |                                              |                                |                                                 |                                |                                                  |                                |                                             |                                |                                              |                                |
| 1. <b>Total High Quality Liquid Assets (HQLA)</b>                             |                                              | 12,25,975                      |                                                 | 11,85,275                      |                                                  | 12,21,055                      |                                             | 12,01,176                      |                                              | 11,32,828                      |
| <b>Cash Outflows</b>                                                          |                                              |                                |                                                 |                                |                                                  |                                |                                             |                                |                                              |                                |
| 2. Retail Deposits and deposits from small business customers, of which:      |                                              |                                |                                                 |                                |                                                  |                                |                                             |                                |                                              |                                |
| i) Stable deposits                                                            | 9,16,870                                     | 45,844                         | 8,77,353                                        | 43,868                         | 8,85,495                                         | 44,275                         | 8,62,268                                    | 43,113                         | 8,63,104                                     | 43,155                         |
| ii) Less Stable Deposits                                                      | 21,19,665                                    | 2,11,966                       | 19,81,341                                       | 1,98,134                       | 19,69,089                                        | 1,96,909                       | 19,05,186                                   | 1,90,519                       | 18,77,488                                    | 1,87,749                       |
| 3. Unsecured wholesale funding, of which:                                     |                                              |                                |                                                 |                                |                                                  |                                |                                             |                                |                                              |                                |
| i) Operational deposits (all counterparties)                                  | 227                                          | 57                             | 259                                             | 65                             | 838                                              | 210                            | 245                                         | 61                             | 213                                          | 53                             |
| ii) Non-operational deposits (all counterparties)                             | 10,52,154                                    | 6,09,695                       | 11,38,101                                       | 7,24,162                       | 11,66,171                                        | 7,33,083                       | 11,29,875                                   | 6,88,187                       | 10,36,748                                    | 6,32,558                       |
| iii) Unsecured debt                                                           | -                                            | -                              | -                                               | -                              | -                                                | -                              | -                                           | -                              | -                                            | -                              |
| 4. Secured wholesale funding                                                  | 1,38,072                                     | 366                            | 1,60,384                                        | 1,228                          | 1,45,100                                         | 1,001                          | 1,66,988                                    | 429                            | 1,76,737                                     | 156                            |
| 5. Additional requirements, of which                                          |                                              |                                |                                                 |                                |                                                  |                                |                                             |                                |                                              |                                |
| i) Outflows related to derivative exposures and other collateral requirements | 3,92,411                                     | 3,92,411                       | 4,21,042                                        | 4,21,042                       | 4,30,733                                         | 4,30,733                       | 4,83,693                                    | 4,83,693                       | 4,01,387                                     | 4,01,387                       |
| ii) Outflows related to loss of funding on debt products                      | -                                            | -                              | -                                               | -                              | -                                                | -                              | -                                           | -                              | -                                            | -                              |
| iii) Credit and liquidity facilities                                          | 82,077                                       | 14,673                         | 57,500                                          | 9,708                          | 67,599                                           | 13,038                         | 53,719                                      | 9,169                          | 50,247                                       | 8,719                          |
| 6. Other contractual funding obligations                                      | 47,126                                       | 47,126                         | 42,920                                          | 42,920                         | 41,634                                           | 41,634                         | 41,218                                      | 41,218                         | 39,315                                       | 39,315                         |
| 7. Other contingent funding obligations                                       | 7,96,945                                     | 30,779                         | 6,55,329                                        | 23,496                         | 6,50,746                                         | 23,180                         | 6,34,329                                    | 22,565                         | 6,39,545                                     | 22,668                         |
| 8. <b>Total Cash Outflows</b>                                                 | <b>55,45,546</b>                             | <b>13,52,917</b>               | <b>53,34,229</b>                                | <b>14,64,621</b>               | <b>53,57,406</b>                                 | <b>14,84,062</b>               | <b>52,77,520</b>                            | <b>14,78,954</b>               | <b>50,84,784</b>                             | <b>13,35,760</b>               |
| <b>Cash Inflows</b>                                                           |                                              |                                |                                                 |                                |                                                  |                                |                                             |                                |                                              |                                |
| 9. Secured lending (e.g. Reverse repos)                                       | 15,796                                       | -                              | 11,056                                          | -                              | 27,428                                           | -                              | 92,946                                      | -                              | 75,185                                       | -                              |
| 10. Inflows from fully performing exposures                                   | 5,17,534                                     | 4,82,562                       | 5,48,427                                        | 5,14,666                       | 5,58,824                                         | 5,20,994                       | 6,03,646                                    | 5,72,192                       | 5,10,004                                     | 4,80,116                       |
| 11. Other cash inflows                                                        | 54,979                                       | 43,671                         | 51,752                                          | 41,001                         | 49,947                                           | 40,517                         | 45,927                                      | 38,961                         | 44,508                                       | 36,457                         |
| 12. <b>Total Cash Inflows</b>                                                 | <b>5,88,310</b>                              | <b>5,26,233</b>                | <b>6,11,235</b>                                 | <b>5,55,667</b>                | <b>6,36,198</b>                                  | <b>5,61,511</b>                | <b>7,42,519</b>                             | <b>6,11,153</b>                | <b>6,29,697</b>                              | <b>5,16,572</b>                |
| 13. <b>Total HQLA</b>                                                         |                                              | <b>12,25,975</b>               |                                                 | <b>11,85,275</b>               |                                                  | <b>12,21,055</b>               |                                             | <b>12,01,176</b>               |                                              | <b>11,32,828</b>               |
| 14. <b>Total Net Cash Outflows</b>                                            |                                              | <b>8,26,684</b>                |                                                 | <b>9,08,954</b>                |                                                  | <b>9,22,552</b>                |                                             | <b>8,67,801</b>                |                                              | <b>8,19,188</b>                |
| 15. <b>Liquidity Coverage Ratio(%)</b>                                        |                                              | <b>148.30%</b>                 |                                                 | <b>130.40%</b>                 |                                                  | <b>132.36%</b>                 |                                             | <b>138.42%</b>                 |                                              | <b>138.29%</b>                 |

\*\* Monthly average of 3 months data considered for Overseas Banking Subsidiaries and daily average considered for SBI(Solo).

### c) Net Stable Funding Ratio:

#### i) Standalone Net Stable Funding Ratio:

Net Stable Funding Ratio (NSFR) guidelines ensure reduction in funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress. The NSFR is defined as the amount of Available Stable Funding relative to the amount of Required Stable Funding.

$$\text{NSFR} = \frac{\text{Available Stable Funding (ASF)}}{\text{Required Stable Funding (RSF)}} \geq 100\%$$

# SCHEDULES

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

**Quantitative Disclosure:** The following tables contain unweighted and weighted values of NSFR components of SBI (Solo) as at 31<sup>st</sup> March 2023, 31<sup>st</sup> December 2022, 30<sup>th</sup> September 2022 and 30<sup>th</sup> June 2022 (i.e. quarter end observations) :

(₹ in Crore)

| Net Stable Funding Ratio (State Bank of India - Standalone)                                                                                                        |                                       |            |                   |           |                |                                       |            |                   |           |                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------|-------------------|-----------|----------------|---------------------------------------|------------|-------------------|-----------|----------------|
| NSFR Components                                                                                                                                                    | Position as on 31.03.2023             |            |                   |           |                | Position as on 31.12.2022             |            |                   |           |                |
|                                                                                                                                                                    | Unweighted value by residual maturity |            |                   |           | Weighted value | Unweighted value by residual maturity |            |                   |           | Weighted value |
|                                                                                                                                                                    | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                |
| <b>ASF Item</b>                                                                                                                                                    |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 1. Capital: (2+3)                                                                                                                                                  | -                                     | -          | -                 | 4,07,423  | 4,07,423       | -                                     | -          | -                 | 3,96,009  | 3,96,009       |
| 2. Regulatory capital                                                                                                                                              | -                                     | -          | -                 | 4,07,423  | 4,07,423       | -                                     | -          | -                 | 3,96,009  | 3,96,009       |
| 3. Other capital instruments                                                                                                                                       | -                                     | -          | -                 | -         | -              | -                                     | -          | -                 | -         | -              |
| 4. Retail deposits and deposits from small business customers: (5+6)                                                                                               | 14,66,184                             | 4,82,484   | 5,13,982          | 5,84,499  | 27,87,242      | 14,76,985                             | 4,83,491   | 5,35,766          | 5,26,987  | 27,66,326      |
| 5. Stable deposits                                                                                                                                                 | 4,17,678                              | 1,54,564   | 1,65,854          | 1,58,061  | 8,51,350       | 4,38,722                              | 1,54,116   | 1,73,686          | 1,41,877  | 8,62,981       |
| 6. Less stable deposits                                                                                                                                            | 10,48,506                             | 3,27,920   | 3,48,128          | 4,26,438  | 19,35,892      | 10,38,263                             | 3,29,375   | 3,62,080          | 3,85,110  | 19,03,345      |
| 7. Wholesale funding: (8+9)                                                                                                                                        | 3,00,821                              | 3,95,079   | 2,45,063          | 4,52,127  | 8,64,625       | 2,46,577                              | 3,73,816   | 2,55,092          | 3,86,008  | 8,11,805       |
| 8. Operational deposits                                                                                                                                            | -                                     | -          | -                 | -         | -              | -                                     | -          | -                 | -         | -              |
| 9. Other wholesale funding                                                                                                                                         | 3,00,821                              | 3,95,079   | 2,45,063          | 4,52,127  | 8,64,625       | 2,46,577                              | 3,73,816   | 2,55,092          | 3,86,008  | 8,11,805       |
| 10. Other liabilities: (11+12)                                                                                                                                     | 7,80,210                              | 1,10,741   | 34,591            | 34,103    | -              | 7,67,214                              | 95,510     | 37,431            | 21,684    | -              |
| 11. NSFR derivative liabilities                                                                                                                                    | -                                     | 25         | -                 | 330       | -              | -                                     | -          | -                 | 93        | -              |
| 12. All other liabilities and equity not included in the above categories                                                                                          | 7,80,210                              | 1,10,716   | 34,591            | 33,773    | -              | 7,67,214                              | 95,510     | 37,431            | 21,591    | -              |
| 13. Total ASF (1+4+7+10)                                                                                                                                           |                                       |            |                   |           | 40,59,290      |                                       |            |                   |           | 39,74,140      |
| <b>RSF Item</b>                                                                                                                                                    |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 14. Total NSFR high-quality liquid assets (HQLA)                                                                                                                   |                                       |            |                   |           | 74,681         |                                       |            |                   |           | 71,722         |
| 15. Deposits held at other financial institutions for operational purposes                                                                                         | 13,492                                | 37,512     | -                 | 2,385     | 26,695         | 20,874                                | 27,220     | -                 | 3,240     | 25,667         |
| 16. Performing loans and securities: (17+18+19+21+23)                                                                                                              | 5,360                                 | 6,74,535   | 2,65,986          | 6,23,214  | 8,50,657       | 5,637                                 | 6,61,749   | 2,75,068          | 6,56,718  | 8,83,606       |
| 17. Performing loans to financial institutions secured by Level 1 HQLA                                                                                             | -                                     | 7,406      | -                 | -         | 741            | -                                     | 3,996      | -                 | -         | 400            |
| 18. Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions                                | -                                     | 1,30,127   | -                 | -         | 19,519         | -                                     | 1,04,033   | -                 | -         | 15,605         |
| 19. Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which: | -                                     | 5,37,002   | 2,65,986          | 3,03,341  | 5,98,666       | -                                     | 5,53,720   | 2,75,068          | 3,17,277  | 6,20,624       |
| 20. With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                       | -                                     | -          | -                 | 3,03,341  | 1,97,172       | -                                     | -          | -                 | 3,17,277  | 2,06,230       |
| 21. Performing residential mortgages, of which:                                                                                                                    | -                                     | -          | -                 | 2,23,583  | 1,45,329       | -                                     | -          | -                 | 2,31,696  | 1,50,603       |
| 22. With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                       | -                                     | -          | -                 | 2,23,583  | 1,45,329       | -                                     | -          | -                 | 2,31,696  | 1,50,603       |
| 23. Securities that are not in default and do not qualify as HQLA, including exchange-traded equities                                                              | 5,360                                 | -          | -                 | 96,290    | 86,402         | 5,637                                 | -          | -                 | 1,07,745  | 96,374         |
| 24. Other assets: (sum of rows 25 to 29)                                                                                                                           | 12,23,321                             | 52,307     | 5,992             | 14,51,872 | 25,43,068      | 10,84,334                             | 73,829     | 4,109             | 13,38,616 | 23,24,990      |
| 25. Physical traded commodities, including gold                                                                                                                    | -                                     | -          | -                 | -         | -              | -                                     | -          | -                 | -         | -              |
| 26. Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs                                                            | -                                     | -          | -                 | -         | 1,098          | -                                     | -          | -                 | -         | 1,103          |
| 27. NSFR derivative assets                                                                                                                                         | -                                     | -          | -                 | -         | -              | -                                     | 1,042      | -                 | -         | 1,042          |
| 28. NSFR derivative liabilities before deduction of variation margin posted                                                                                        | -                                     | 1,752      | 1,099             | 2,886     | 5,737          | -                                     | 1,636      | 1,483             | 2,988     | 6,107          |
| 29. All other assets not included in the above categories                                                                                                          | 12,23,321                             | 50,555     | 4,893             | 14,48,986 | 25,36,233      | 10,84,334                             | 71,151     | 2,626             | 13,35,628 | 23,16,738      |
| 30. Off-balance sheet items                                                                                                                                        | -                                     | 9,97,023   | -                 | -         | 40,733         | -                                     | 7,08,482   | -                 | -         | 26,257         |
| 31. Total RSF (14+15+16+24+30)                                                                                                                                     |                                       |            |                   |           | 35,35,834      |                                       |            |                   |           | 33,32,242      |
| 32. Net Stable Funding Ratio (%)                                                                                                                                   |                                       |            |                   |           | 114.80%        |                                       |            |                   |           | 119.26%        |

(₹ in Crore)

| Net Stable Funding Ratio (State Bank of India - Standalone) |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------|-------------------|-----------|----------------|---------------------------------------|------------|-------------------|-----------|----------------|
| NSFR Components                                             |                                                                                                                                                                | Position as on 30.09.2022             |            |                   |           |                | Position as on 30.06.2022             |            |                   |           |                |
|                                                             |                                                                                                                                                                | Unweighted value by residual maturity |            |                   |           | Weighted value | Unweighted value by residual maturity |            |                   |           | Weighted value |
|                                                             |                                                                                                                                                                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                |
| ASF Item                                                    |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 1)                                                          | Capital: (2+3)                                                                                                                                                 | -                                     | -          | -                 | 3,85,784  | 3,85,784       | -                                     | -          | -                 | 3,61,457  | 3,61,457       |
| 2)                                                          | Regulatory capital                                                                                                                                             | -                                     | -          | -                 | 3,85,784  | 3,85,784       | -                                     | -          | -                 | 3,61,457  | 3,61,457       |
| 3)                                                          | Other capital instruments                                                                                                                                      | -                                     | -          | -                 | -         | -              | -                                     | -          | -                 | -         | -              |
| 4)                                                          | Retail deposits and deposits from small business customers: (5+6)                                                                                              | 13,78,045                             | 4,57,887   | 5,30,244          | 4,82,229  | 26,07,093      | 13,59,636                             | 4,75,465   | 4,99,039          | 4,58,707  | 25,56,346      |
| 5)                                                          | Stable deposits                                                                                                                                                | 4,25,920                              | 1,44,852   | 1,71,129          | 1,28,671  | 8,27,044       | 4,15,612                              | 1,51,275   | 1,63,642          | 1,25,165  | 8,12,909       |
| 6)                                                          | Less stable deposits                                                                                                                                           | 9,52,125                              | 3,13,035   | 3,59,115          | 3,53,558  | 17,80,049      | 9,44,024                              | 3,24,190   | 3,35,397          | 3,33,542  | 17,43,437      |
| 7)                                                          | Wholesale funding: (8+9)                                                                                                                                       | 2,35,527                              | 3,40,119   | 3,21,597          | 3,46,648  | 7,69,841       | 2,25,713                              | 3,02,308   | 2,77,799          | 3,49,829  | 7,26,236       |
| 8)                                                          | Operational deposits                                                                                                                                           | -                                     | -          | -                 | -         | -              | -                                     | -          | -                 | -         | -              |
| 9)                                                          | Other wholesale funding                                                                                                                                        | 2,35,527                              | 3,40,119   | 3,21,597          | 3,46,648  | 7,69,841       | 2,25,713                              | 3,02,308   | 2,77,799          | 3,49,829  | 7,26,236       |
| 10)                                                         | Other liabilities: (11+12)                                                                                                                                     | 8,59,165                              | 1,15,311   | 29,604            | 20,253    | -              | 8,69,063                              | 1,26,989   | 22,232            | 27,228    | -              |
| 11)                                                         | NSFR derivative liabilities                                                                                                                                    | -                                     | -          | -                 | 1,375     |                |                                       | -          | -                 | 1044      |                |
| 12)                                                         | All other liabilities and equity not included in the above categories                                                                                          | 8,59,165                              | 1,15,311   | 29,604            | 18,878    | -              | 8,69,063                              | 1,26,989   | 22,232            | 26,184    | -              |
| 13)                                                         | Total ASF (1+4+7+10)                                                                                                                                           |                                       |            |                   |           | 37,62,718      |                                       |            |                   |           | 36,44,039      |
| RSF Item                                                    |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 14)                                                         | Total NSFR high-quality liquid assets (HQLA)                                                                                                                   |                                       |            |                   |           | 74,248         |                                       |            |                   |           | 70,509         |
| 15)                                                         | Deposits held at other financial institutions for operational purposes                                                                                         | 25,365                                | 35,976     | -                 | 3,852     | 32,597         | 20,710                                | 28,188     | -                 | 2,994     | 25,946         |
| 16)                                                         | Performing loans and securities: (17+18+19+21+23)                                                                                                              | 5,846                                 | 7,47,776   | 2,50,280          | 6,79,668  | 9,25,216       | 5,065                                 | 6,69,303   | 2,59,689          | 7,22,037  | 9,17,080       |
| 17)                                                         | Performing loans to financial institutions secured by Level 1 HQLA                                                                                             | -                                     | 715        | -                 | -         | 72             | -                                     | 2,170      | -                 | -         | 217            |
| 18)                                                         | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions                                | -                                     | 1,17,568   | -                 | -         | 17,635         | -                                     | 1,21,304   | -                 | -         | 18,196         |
| 19)                                                         | Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which: | -                                     | 6,29,493   | 2,50,280          | 3,35,109  | 6,57,707       | -                                     | 5,45,829   | 2,59,689          | 3,62,048  | 6,38,090       |
| 20)                                                         | With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk                                                       | -                                     | -          | -                 | 3,35,109  | 2,17,821       | -                                     | -          | -                 | 3,62,048  | 2,35,331       |
| 21)                                                         | Performing residential mortgages, of which:                                                                                                                    | -                                     | -          | -                 | 2,40,210  | 1,56,137       | -                                     | -          | -                 | 2,48,596  | 1,61,587       |
| 22)                                                         | With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk                                                       | -                                     | -          | -                 | 2,40,210  | 1,56,137       | -                                     | -          | -                 | 2,48,596  | 1,61,587       |
| 23)                                                         | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities                                                              | 5,846                                 | -          | -                 | 1,04,349  | 93,665         | 5,065                                 | -          | -                 | 1,11,393  | 98,990         |
| 24)                                                         | Other assets: (sum of rows 25 to 29)                                                                                                                           | 10,07,704                             | 66,025     | 1,496             | 12,54,587 | 21,61,605      | 9,62,596                              | 82,322     | 5,081             | 11,85,450 | 20,43,092      |
| 25)                                                         | Physical traded commodities, including gold                                                                                                                    | -                                     |            |                   |           | -              | -                                     |            |                   |           | -              |
| 26)                                                         | Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs                                                            |                                       | -          | -                 | -         | 1,091          |                                       | -          | -                 | -         | 1,041          |
| 27)                                                         | NSFR derivative assets                                                                                                                                         |                                       | 1,777      | -                 | -         | 1,777          |                                       | 417        | -                 | -         | 417            |
| 28)                                                         | NSFR derivative liabilities before deduction of variation margin posted                                                                                        |                                       | 4,756      | 1,031             | 2,643     | 8,430          |                                       | 5,177      | 315               | 1,794     | 7,285          |
| 29)                                                         | All other assets not included in the above categories                                                                                                          | 10,07,704                             | 59,492     | 465               | 12,51,944 | 21,50,307      | 9,62,596                              | 76,728     | 4,766             | 11,83,656 | 20,34,349      |
| 30)                                                         | Off-balance sheet items                                                                                                                                        |                                       | 6,95,602   | -                 | -         | 25,569         |                                       | 6,61,229   | -                 | -         | 23,886         |
| 31)                                                         | Total RSF (14+15+16+24+30)                                                                                                                                     |                                       |            |                   |           | 32,19,235      |                                       |            |                   |           | 30,80,513      |
| 32)                                                         | Net Stable Funding Ratio (%)                                                                                                                                   |                                       |            |                   |           | 116.88%        |                                       |            |                   |           | 118.29%        |

In accordance with RBI guidelines vide circular No. RBI/2017-18/178, DBR.BP.BC.No.106/21.04.098/2017-18 dated 17<sup>th</sup> May 2018, the quarter end observations are presented in the template above. The ASF items pertaining to Capital have been reclassified to align with extent regulatory guidelines.

## SCHEDULES

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

Bank's NSFR comes to 114.80% as at the end of the quarter Q4 (FY 2022-23) and is above the minimum regulatory requirement of 100% set out in the RBI guidelines effective from 1<sup>st</sup> October 2021. As on 31<sup>st</sup> March 2023, the Available Stable Funding (ASF) position stood at ₹40,59,290 Crore and Required Stable Funding (RSF) position stood at ₹35,35,834 Crore. There was an increase in the values of total ASF and RSF as on 31<sup>st</sup> March 2023 over 31<sup>st</sup> December 2022. ASF is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered for the NSFR. RSF of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its Off-Balance Sheet (OBS) exposures.

Liquidity Management in the Bank is driven by Bank's ALM Policy and regulatory prescriptions. The Domestic and International Treasuries are reporting to the Asset Liability Management Committee (ALCO). ALCO has been empowered by the Bank's Board to formulate the funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Bank. All major decisions of ALCO are being reported to the Bank's Board periodically. In addition to daily/monthly LCR reporting, Bank prepares daily Structural Liquidity Statements to assess the liquidity needs of the Bank on an ongoing basis.

The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, which are well diversified. Management is of the view that the Bank has got sufficient liquidity to meet its immediate/likely future short-term requirements.

### ii) Consolidated Net Stable Funding Ratio

The RBI guidelines stipulated the implementation of NSFR at a consolidated level from December 2021 quarter and accordingly, NSFR has been computed at Group level.

The entities covered in the Group NSFR are SBI and seven Overseas Banking Subsidiaries. Commercial Indo Bank LLC, Moscow, Nepal SBI Bank Ltd., State Bank of India (California), SBI Canada Bank, State Bank of India (Mauritius) Ltd, PT Bank SBI Indonesia and State Bank of India (UK) Ltd.

SBI Group NSFR comes to 115.03% as on 31<sup>st</sup> March 2023 which is above the minimum regulatory requirement of 100%.

Available stable funding (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The Required stable funding (RSF) of a specific group is a function of the liquidity characteristics and residual maturities of the various assets held by that group as well as those of its Off-Balance Sheet (OBS) exposures.

(₹ in Crore)

| NET STABLE FUNDING RATIO (State Bank of India Group) |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------|-------------------|-----------|----------------|---------------------------------------|------------|-------------------|-----------|----------------|
| Statements for the Quarter ending                    |                                                                                                                                                                | 31 <sup>st</sup> March 2023           |            |                   |           |                | 31 <sup>st</sup> December 2022        |            |                   |           |                |
| NSFR Components                                      |                                                                                                                                                                | Unweighted value by residual maturity |            |                   |           | Weighted value | Unweighted value by residual maturity |            |                   |           | Weighted value |
|                                                      |                                                                                                                                                                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                |
| ASF Item                                             |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 1)                                                   | Capital: (2+3)                                                                                                                                                 | 7,887                                 | -          | -                 | 4,16,562  | 4,24,449       | 7,575                                 | -          | -                 | 4,05,662  | 4,13,237       |
| 2)                                                   | Regulatory capital                                                                                                                                             | 7,887                                 | -          | -                 | 4,09,203  | 4,17,090       | 7,575                                 | -          | -                 | 3,97,871  | 4,05,445       |
| 3)                                                   | Other capital instruments                                                                                                                                      | -                                     | -          | -                 | 7,360     | 7,360          | -                                     | -          | -                 | 7,791     | 7,791          |
| 4)                                                   | Retail deposits and deposits from small business customers: (5+6)                                                                                              | 14,82,779                             | 4,88,568   | 5,20,923          | 5,85,550  | 28,15,852      | 14,95,103                             | 4,89,493   | 5,42,242          | 5,27,538  | 27,95,324      |
| 5)                                                   | Stable deposits                                                                                                                                                | 4,29,694                              | 1,57,660   | 1,69,851          | 1,59,067  | 8,70,459       | 4,51,118                              | 1,57,251   | 1,76,900          | 1,42,429  | 8,81,314       |
| 6)                                                   | Less stable deposits                                                                                                                                           | 10,53,085                             | 3,30,908   | 3,51,072          | 4,26,483  | 19,45,393      | 10,43,984                             | 3,32,242   | 3,65,342          | 3,85,110  | 19,14,010      |
| 7)                                                   | Wholesale funding: (8+9)                                                                                                                                       | 3,02,846                              | 3,97,657   | 2,50,298          | 4,52,148  | 8,69,554       | 2,48,531                              | 3,77,202   | 2,57,621          | 3,86,008  | 8,15,740       |
| 8)                                                   | Less stable non-maturity deposits and term deposits with residual maturity of less than one year provided by retail and small business customers               | -                                     | -          | -                 | -         | -              | -                                     | -          | -                 | -         | -              |
| 9)                                                   | Other wholesale funding                                                                                                                                        | 3,02,846                              | 3,97,657   | 2,50,298          | 4,52,148  | 8,69,554       | 2,48,531                              | 3,77,202   | 2,57,621          | 3,86,008  | 8,15,740       |
| 10)                                                  | Other liabilities: (11+12)                                                                                                                                     | 7,81,201                              | 1,13,463   | 34,591            | 34,103    | -              | 7,68,690                              | 98,294     | 37,431            | 22,051    | -              |
| 11)                                                  | NSFR derivative liabilities                                                                                                                                    | -                                     | 25         | -                 | 330       | -              | -                                     | -          | -                 | 93        | -              |
| 12)                                                  | All other liabilities and equity not included in the above categories                                                                                          | 7,81,201                              | 1,13,438   | 34,591            | 33,773    | -              | 7,68,690                              | 98,294     | 37,431            | 21,958    | -              |
| 13)                                                  | Total ASF (1+4+7+10)                                                                                                                                           | 25,74,713                             | 9,99,688   | 8,05,811          | 14,88,363 | 41,09,855      | 25,19,898                             | 9,64,990   | 8,37,295          | 13,41,259 | 40,24,301      |
| RSF Item                                             |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 14)                                                  | Total NSFR high-quality liquid assets (HQLA)                                                                                                                   | 8,881                                 | 3,202      | 766               | 2,547     | 75,376         | 9,202                                 | 3,405      | 328               | 2,826     | 72,321         |
| 15)                                                  | Deposits held at other financial institutions for operational purposes                                                                                         | 14,139                                | 37,512     | 1,527             | 2,385     | 27,782         | 21,371                                | 27,220     | 1,024             | 3,258     | 26,437         |
| 16)                                                  | Performing loans and securities: (17+18+19+21+23)                                                                                                              | 5,360                                 | 6,79,577   | 2,67,873          | 6,53,836  | 8,77,764       | 5,637                                 | 6,67,386   | 2,76,526          | 6,88,088  | 9,11,509       |
| 17)                                                  | Performing loans to financial institutions secured by Level 1 HQLA                                                                                             | -                                     | 7,406      | -                 | -         | 741            | -                                     | 3,996      | -                 | -         | 400            |
| 18)                                                  | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions                                | -                                     | 1,32,352   | -                 | -         | 19,853         | -                                     | 1,06,567   | -                 | -         | 15,985         |
| 19)                                                  | Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which: | -                                     | 5,39,819   | 2,67,873          | 3,04,722  | 6,01,927       | -                                     | 5,56,823   | 2,76,526          | 3,18,485  | 6,23,706       |
| 20)                                                  | With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk                                                       | -                                     | 171        | -                 | 3,04,629  | 1,98,120       | -                                     | 178        | -                 | 3,18,413  | 2,07,084       |
| 21)                                                  | Performing residential mortgages, of which:                                                                                                                    | -                                     | -          | -                 | 2,50,781  | 1,67,104       | -                                     | -          | -                 | 2,59,545  | 1,73,079       |
| 22)                                                  | With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk                                                       | -                                     | -          | -                 | 2,44,066  | 1,62,739       | -                                     | -          | -                 | 2,53,570  | 1,69,196       |
| 23)                                                  | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities                                                              | 5,360                                 | -          | -                 | 98,333    | 88,139         | 5,637                                 | -          | -                 | 1,10,058  | 98,340         |
| 24)                                                  | Other assets: (sum of rows 25 to 29)                                                                                                                           | 12,23,630                             | 52,692     | 6,391             | 14,58,701 | 25,50,991      | 10,84,649                             | 74,292     | 4,335             | 13,44,601 | 23,31,979      |
| 25)                                                  | Physical traded commodities, including gold                                                                                                                    | -                                     | -          | -                 | -         | -              | -                                     | -          | -                 | -         | -              |
| 26)                                                  | Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs                                                            | -                                     | -          | -                 | -         | 1,098          | -                                     | -          | -                 | -         | 1,103          |
| 27)                                                  | NSFR derivative assets                                                                                                                                         | -                                     | 38         | -                 | -         | 47             | -                                     | 1,060      | -                 | -         | 1,068          |
| 28)                                                  | NSFR derivative liabilities before deduction of variation margin posted                                                                                        | -                                     | 1,752      | 1,099             | 2,886     | 5,737          | -                                     | 1,636      | 1,483             | 2,988     | 6,107          |
| 29)                                                  | All other assets not included in the above categories                                                                                                          | 12,23,630                             | 50,903     | 5,293             | 14,55,815 | 25,44,108      | 10,84,649                             | 71,597     | 2,851             | 13,41,613 | 23,23,702      |
| 30)                                                  | Off-balance sheet items                                                                                                                                        | -                                     | 9,98,564   | -                 | -         | 40,935         | -                                     | 7,10,010   | -                 | -         | 26,493         |
| 31)                                                  | Total RSF (14+15+16+24+30)                                                                                                                                     |                                       |            |                   |           | 35,72,847      |                                       |            |                   |           | 33,68,739      |
| 32)                                                  | Net Stable Funding Ratio (%)                                                                                                                                   |                                       |            |                   |           | 115.03%        |                                       |            |                   |           | 119.46%        |

# SCHEDULES

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

(₹ in Crore)

| NET STABLE FUNDING RATIO (State Bank of India Group) |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------|-------------------|-----------|----------------|---------------------------------------|------------|-------------------|-----------|----------------|
| Statements for the Quarter ending                    |                                                                                                                                                                | 30 <sup>th</sup> September 2022       |            |                   |           |                | 30 <sup>th</sup> June 2022            |            |                   |           |                |
| NSFR Components                                      |                                                                                                                                                                | Unweighted value by residual maturity |            |                   |           | Weighted value | Unweighted value by residual maturity |            |                   |           | Weighted value |
|                                                      |                                                                                                                                                                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                | No maturity                           | < 6 months | 6 months to < 1yr | ≥ 1yr     |                |
| ASF Item                                             |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 1)                                                   | Capital: (2+3)                                                                                                                                                 | 6,753                                 | -          | -                 | 3,94,556  | 4,01,308       | 6,686                                 | -          | -                 | 3,69,890  | 3,76,576       |
| 2)                                                   | Regulatory capital                                                                                                                                             | 6,753                                 | -          | -                 | 3,87,631  | 3,94,384       | 6,686                                 | -          | -                 | 3,63,253  | 3,69,938       |
| 3)                                                   | Other capital instruments                                                                                                                                      | -                                     | -          | -                 | 6,925     | 6,925          | -                                     | -          | -                 | 6,637     | 6,637          |
| 4)                                                   | Retail deposits and deposits from small business customers: (5+6)                                                                                              | 13,94,631                             | 4,63,638   | 5,34,836          | 4,82,741  | 26,32,653      | 13,74,462                             | 4,81,599   | 5,03,217          | 4,59,211  | 25,80,202      |
| 5)                                                   | Stable deposits                                                                                                                                                | 4,37,039                              | 1,47,740   | 1,73,889          | 1,29,183  | 8,43,459       | 4,24,987                              | 1,54,224   | 1,66,366          | 1,25,666  | 8,27,681       |
| 6)                                                   | Less stable deposits                                                                                                                                           | 9,57,592                              | 3,15,898   | 3,60,947          | 3,53,558  | 17,89,194      | 9,49,475                              | 3,27,376   | 3,36,851          | 3,33,545  | 17,52,521      |
| 7)                                                   | Wholesale funding: (8+9)                                                                                                                                       | 2,37,633                              | 3,42,314   | 3,23,741          | 3,46,648  | 7,73,063       | 2,27,392                              | 3,04,676   | 2,79,976          | 3,49,829  | 7,29,347       |
| 8)                                                   | Less stable non-maturity deposits and term deposits with residual maturity of less than one year provided by retail and small business customers               | -                                     | -          | -                 | -         | -              | -                                     | -          | -                 | -         | -              |
| 9)                                                   | Other wholesale funding                                                                                                                                        | 2,37,633                              | 3,42,314   | 3,23,741          | 3,46,648  | 7,73,063       | 2,27,392                              | 3,04,676   | 2,79,976          | 3,49,829  | 7,29,347       |
| 10)                                                  | Other liabilities: (11+12)                                                                                                                                     | 8,60,924                              | 1,18,578   | 29,604            | 20,706    | -              | 8,70,706                              | 1,30,825   | 22,232            | 27,490    | -              |
| 11)                                                  | NSFR derivative liabilities                                                                                                                                    | 325                                   | -          | -                 | 1,375     | -              | 153                                   | -          | -                 | 1,044     | -              |
| 12)                                                  | All other liabilities and equity not included in the above categories                                                                                          | 8,60,599                              | 1,18,578   | 29,604            | 19,331    | -              | 8,70,553                              | 1,30,825   | 22,232            | 26,446    | -              |
| 13)                                                  | Total ASF (1+4+7+10)                                                                                                                                           | 24,99,941                             | 9,24,530   | 8,88,181          | 12,44,650 | 38,07,024      | 24,79,246                             | 9,17,099   | 8,05,426          | 12,06,420 | 36,86,125      |
| RSF Item                                             |                                                                                                                                                                |                                       |            |                   |           |                |                                       |            |                   |           |                |
| 14)                                                  | Total NSFR high-quality liquid assets (HQLA)                                                                                                                   | 6,778                                 | 1,645      | 1,144             | 2,540     | 74,784         | 4,467                                 | 1,338      | 825               | 2,617     | 71,043         |
| 15)                                                  | Deposits held at other financial institutions for operational purposes                                                                                         | 25,767                                | 35,976     | 912               | 3,852     | 33,254         | 21,173                                | 28,188     | 583               | 2,994     | 26,470         |
| 16)                                                  | Performing loans and securities: (17+18+19+21+23)                                                                                                              | 5,846                                 | 7,52,626   | 2,52,110          | 7,08,528  | 9,51,134       | 5,065                                 | 6,74,295   | 2,61,937          | 7,49,905  | 9,42,516       |
| 17)                                                  | Performing loans to financial institutions secured by Level 1 HQLA                                                                                             | -                                     | 715        | -                 | -         | 72             | -                                     | 2,170      | -                 | -         | 217            |
| 18)                                                  | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions                                | -                                     | 1,19,861   | -                 | -         | 17,979         | -                                     | 1,23,710   | -                 | -         | 18,557         |
| 19)                                                  | Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which: | -                                     | 6,32,050   | 2,52,110          | 3,36,413  | 6,60,746       | -                                     | 5,48,415   | 2,61,937          | 3,62,979  | 6,41,102       |
| 20)                                                  | With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk                                                       | -                                     | 72         | -                 | 3,36,325  | 2,18,659       | -                                     | 2          | -                 | 3,62,912  | 2,35,894       |
| 21)                                                  | Performing residential mortgages, of which:                                                                                                                    | -                                     | -          | -                 | 2,65,530  | 1,76,771       | -                                     | -          | -                 | 2,72,916  | 1,81,425       |
| 22)                                                  | With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk                                                       | -                                     | -          | -                 | 2,61,092  | 1,73,887       | -                                     | -          | -                 | 2,68,747  | 1,78,716       |
| 23)                                                  | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities                                                              | 5,846                                 | -          | -                 | 1,06,585  | 95,566         | 5,065                                 | -          | -                 | 1,14,010  | 1,01,214       |
| 24)                                                  | Other assets: (sum of rows 25 to 29)                                                                                                                           | 10,08,153                             | 66,319     | 1,797             | 12,59,942 | 21,67,983      | 9,62,908                              | 82,835     | 5,424             | 11,91,237 | 20,50,043      |
| 25)                                                  | Physical traded commodities, including gold                                                                                                                    | -                                     | -          | -                 | -         | -              | -                                     | -          | -                 | -         | -              |
| 26)                                                  | Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs                                                            | 136                                   | -          | -                 | -         | 1,207          | 28                                    | -          | -                 | -         | 1,065          |
| 27)                                                  | NSFR derivative assets                                                                                                                                         | -                                     | 1,777      | -                 | -         | 1,777          | 1                                     | 417        | -                 | -         | 418            |
| 28)                                                  | NSFR derivative liabilities before deduction of variation margin posted                                                                                        | 2                                     | 4,756      | 1,031             | 2,643     | 8,432          | -                                     | 5,177      | 315               | 1,794     | 7,286          |
| 29)                                                  | All other assets not included in the above categories                                                                                                          | 10,08,014                             | 59,787     | 766               | 12,57,298 | 21,56,567      | 9,62,879                              | 77,241     | 5,109             | 11,89,444 | 20,41,275      |
| 30)                                                  | Off-balance sheet items                                                                                                                                        | -                                     | 6,97,535   | -                 | -         | 25,857         | -                                     | 6,62,872   | -                 | -         | 24,147         |
| 31)                                                  | Total RSF (14+15+16+24+30)                                                                                                                                     |                                       |            |                   |           | 32,53,011      |                                       |            |                   |           | 31,14,218      |
| 32)                                                  | Net Stable Funding Ratio (%)                                                                                                                                   |                                       |            |                   |           | 117.03%        |                                       |            |                   |           | 118.36%        |

In accordance with RBI guidelines vide circular No. RBI/2017-18/178, DBR.BP.BC.No.106/21.04.098/2017-18 dated 17<sup>th</sup> May 2018, the quarter end observations are presented. The ASF items pertaining to capital have been reclassified to align with the extant regulatory guidelines.



## 18.3 Investments

### a) Composition of investment portfolio:

Current Year

| Composition of Investments<br>as at 31st March 2023   | Investments In India  |                           |                  |                      |                                  |                  | Investments outside India  |                                                     |                                  |                  | Whole Bank       |                                 |
|-------------------------------------------------------|-----------------------|---------------------------|------------------|----------------------|----------------------------------|------------------|----------------------------|-----------------------------------------------------|----------------------------------|------------------|------------------|---------------------------------|
|                                                       | Government Securities | Other Approved Securities | Shares           | Debentures and Bonds | Subsidiaries &/or Joint Ventures | Others           | Total investments in India | Government Securities (including Local Authorities) | Subsidiaries &/or Joint Ventures | Others           |                  | Total investments outside India |
|                                                       |                       |                           |                  |                      |                                  |                  |                            |                                                     |                                  |                  |                  |                                 |
| <b>Held to Maturity</b>                               |                       |                           |                  |                      |                                  |                  |                            |                                                     |                                  |                  |                  |                                 |
| Gross                                                 | 9,20,090.06           | -                         | 8.00             | 31,374.37            | 6,283.10                         | 1,645.38         | 9,59,400.91                | 804.03                                              | 5,680.22                         | 133.90           | 6,618.15         | 9,66,019.06                     |
| Less: Provision for non-performing investments (NPI)  | -                     | -                         | 8.00             | -                    | 42.87                            | -                | 50.87                      | -                                                   | -                                | 6.66             | 6.66             | 57.53                           |
| <b>Net</b>                                            | <b>9,20,090.06</b>    | <b>-</b>                  | <b>-</b>         | <b>31,374.37</b>     | <b>6,240.23</b>                  | <b>1,645.38</b>  | <b>9,59,350.04</b>         | <b>804.03</b>                                       | <b>5,680.22</b>                  | <b>127.24</b>    | <b>6,611.49</b>  | <b>9,65,961.53</b>              |
| <b>Available for Sale</b>                             |                       |                           |                  |                      |                                  |                  |                            |                                                     |                                  |                  |                  |                                 |
| Gross                                                 | 3,21,270.14           | -                         | 15,023.56        | 1,86,512.77          | 7,810.00                         | 34,457.85        | 5,65,074.32                | 29,703.87                                           | -                                | 26,886.83        | 56,590.70        | 6,21,665.02                     |
| Less: Provision for depreciation and NPI              | 2,701.98              | -                         | 976.66           | 4,494.37             | -                                | 7,026.91         | 15,199.92                  | 448.70                                              | -                                | 1,323.35         | 1,772.05         | 16,971.97                       |
| <b>Net</b>                                            | <b>3,18,568.17</b>    | <b>-</b>                  | <b>14,046.90</b> | <b>1,82,018.40</b>   | <b>7,810.00</b>                  | <b>27,430.94</b> | <b>5,49,874.40</b>         | <b>29,255.17</b>                                    | <b>-</b>                         | <b>25,563.48</b> | <b>54,818.65</b> | <b>6,04,893.05</b>              |
| <b>Held for Trading</b>                               |                       |                           |                  |                      |                                  |                  |                            |                                                     |                                  |                  |                  |                                 |
| Gross                                                 | (326.93) <sup>®</sup> | -                         | 40.99            | -                    | -                                | -                | (285.94)                   | -                                                   | -                                | -                | -                | (285.94)                        |
| Less: Provision for depreciation and NPI              | 2.37                  | -                         | 0.04             | -                    | -                                | -                | 2.41                       | -                                                   | -                                | -                | -                | 2.41                            |
| <b>Net</b>                                            | <b>(329.30)</b>       | <b>-</b>                  | <b>40.95</b>     | <b>-</b>             | <b>-</b>                         | <b>-</b>         | <b>(288.35)</b>            | <b>-</b>                                            | <b>-</b>                         | <b>-</b>         | <b>-</b>         | <b>(288.35)</b>                 |
| <b>Total Investments</b>                              |                       |                           |                  |                      |                                  |                  |                            |                                                     |                                  |                  |                  |                                 |
| Gross                                                 | 12,41,033.27          | -                         | 15,072.55        | 2,17,887.14          | 14,093.10                        | 36,103.23        | 15,24,189.29               | 30,507.90                                           | 5,680.22                         | 27,020.73        | 63,208.85        | 15,87,398.14                    |
| Less: Provision for non-performing investments (NPI)* | -                     | -                         | 741.17           | 2,325.38             | -                                | -                | 3,066.55                   | -                                                   | -                                | -                | -                | 3,066.55                        |
| Less: Provision for depreciation*                     | 2,704.35              | -                         | 243.53           | 2,168.99             | 42.87                            | 7,026.91         | 12,186.65                  | 448.70                                              | -                                | 1,330.01         | 1,778.71         | 13,965.36                       |
| <b>Net</b>                                            | <b>12,38,328.92</b>   | <b>-</b>                  | <b>14,087.85</b> | <b>2,13,392.77</b>   | <b>14,050.23</b>                 | <b>29,076.32</b> | <b>15,08,936.09</b>        | <b>30,059.20</b>                                    | <b>5,680.22</b>                  | <b>25,690.72</b> | <b>61,430.14</b> | <b>15,70,366.23</b>             |

\* includes LICRA

® Short sale

# SCHEDULES

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

Previous Year

| Composition of Investments<br>as at 31st March 2022       | Investments in India     |                                 |                  |                         |                                          |                  | Total<br>investments<br>in India | Investments outside India                                       |                                          |                  | Total<br>investments<br>outside India | Whole Bank<br><br>Total<br>Investments |
|-----------------------------------------------------------|--------------------------|---------------------------------|------------------|-------------------------|------------------------------------------|------------------|----------------------------------|-----------------------------------------------------------------|------------------------------------------|------------------|---------------------------------------|----------------------------------------|
|                                                           | Government<br>Securities | Other<br>Approved<br>Securities | Shares           | Debentures<br>and Bonds | Subsidiaries<br>and/or Joint<br>Ventures | Others           |                                  | Government<br>Securities<br>(including<br>Local<br>Authorities) | Subsidiaries<br>and/or Joint<br>Ventures | Others           |                                       |                                        |
| <b>Held to Maturity</b>                                   |                          |                                 |                  |                         |                                          |                  |                                  |                                                                 |                                          |                  |                                       |                                        |
| Gross                                                     | 8,33,382.82              | -                               | 8.00             | 33,741.28               | 6,205.26                                 | 1,490.06         | 8,74,827.42                      | 794.14                                                          | 5,028.44                                 | 133.94           | 5,956.52                              | 8,80,783.94                            |
| Less: Provision for non-<br>performing investments (NPI)  | -                        | -                               | 8.00             | -                       | 2.87                                     | -                | 10.87                            | -                                                               | -                                        | -                | -                                     | 10.87                                  |
| <b>Net</b>                                                | <b>8,33,382.82</b>       | <b>-</b>                        | <b>-</b>         | <b>33,741.28</b>        | <b>6,202.39</b>                          | <b>1,490.06</b>  | <b>8,74,816.55</b>               | <b>794.14</b>                                                   | <b>5,028.44</b>                          | <b>133.94</b>    | <b>5,956.52</b>                       | <b>8,80,773.07</b>                     |
| <b>Available for Sale</b>                                 |                          |                                 |                  |                         |                                          |                  |                                  |                                                                 |                                          |                  |                                       |                                        |
| Gross                                                     | 3,29,274.86              | -                               | 13,770.82        | 1,84,479.80             | 7,810.00                                 | 29,951.22        | 5,65,286.72                      | 18,967.40                                                       | -                                        | 28,613.65        | 47,581.06                             | 6,12,867.75                            |
| Less: Provision for depreciation<br>and NPI               | -                        | -                               | 1,356.19         | 2,416.66                | -                                        | 7,859.04         | 11,631.89                        | 32.61                                                           | -                                        | 65.58            | 98.19                                 | 11,730.08                              |
| <b>Net</b>                                                | <b>3,29,274.86</b>       | <b>-</b>                        | <b>12,414.63</b> | <b>1,82,063.14</b>      | <b>7,810.00</b>                          | <b>22,092.19</b> | <b>5,53,654.81</b>               | <b>18,934.79</b>                                                | <b>-</b>                                 | <b>28,548.07</b> | <b>47,482.86</b>                      | <b>6,01,137.67</b>                     |
| <b>Held for Trading</b>                                   |                          |                                 |                  |                         |                                          |                  |                                  |                                                                 |                                          |                  |                                       |                                        |
| Gross                                                     | (475.04) <sup>®</sup>    | -                               | 9.77             | -                       | -                                        | -                | (465.27)                         | -                                                               | -                                        | -                | -                                     | (465.27)                               |
| Less: Provision for depreciation<br>and NPI               | -                        | -                               | -                | -                       | -                                        | -                | -                                | -                                                               | -                                        | -                | -                                     | -                                      |
| <b>Net</b>                                                | <b>(475.04)</b>          | <b>-</b>                        | <b>9.77</b>      | <b>-</b>                | <b>-</b>                                 | <b>-</b>         | <b>(465.27)</b>                  | <b>-</b>                                                        | <b>-</b>                                 | <b>-</b>         | <b>-</b>                              | <b>(465.27)</b>                        |
| <b>Total Investments</b>                                  |                          |                                 |                  |                         |                                          |                  |                                  |                                                                 |                                          |                  |                                       |                                        |
| Gross                                                     | 11,62,182.64             | -                               | 13,788.59        | 2,18,221.08             | 14,015.26                                | 31,441.28        | 14,39,648.85                     | 19,761.54                                                       | 5,028.44                                 | 28,747.59        | 53,537.57                             | 14,93,186.42                           |
| Less: Provision for non-<br>performing investments (NPI)* | -                        | -                               | 1,197.31         | 879.00                  | -                                        | -                | 2,076.31                         | -                                                               | -                                        | 56.34            | 56.34                                 | 2,132.65                               |
| Less: Provision for depreciation*                         | -                        | -                               | 166.88           | 1,537.66                | 2.87                                     | 7,859.04         | 9,566.45                         | 32.61                                                           | -                                        | 9.24             | 41.85                                 | 9,608.30                               |
| <b>Net</b>                                                | <b>11,62,182.64</b>      | <b>-</b>                        | <b>12,424.40</b> | <b>2,15,804.42</b>      | <b>14,012.39</b>                         | <b>23,582.24</b> | <b>14,28,006.09</b>              | <b>19,728.93</b>                                                | <b>5,028.44</b>                          | <b>28,682.01</b> | <b>53,439.38</b>                      | <b>14,81,445.47</b>                    |

\* includes LICRA

® Short sale

- i. Securities of a face value of ₹2,19,371.58 Crore (Previous Year ₹2,14,612.86 Crore) are kept as margin with Clearing Corporation of India Limited (CCIL)/NSCCL/MCX/ NSEIL/BSE towards Securities Settlement.
- ii. State Bank Operations Support Services Pvt. Ltd. has been incorporated on 26<sup>th</sup> July 2022 as a wholly-owned subsidiary. The Company provides operation support services for Agriculture/MSME and other Micro Loans including activities permissible to business correspondents, to the Bank which will help to improve the customer connect and business focus of the branches of Bank. Amount invested is ₹10.00 Crore.
- iii. During the year ended 31<sup>st</sup> March 2023, Bank has acquired additional 13.82% (₹67.84 Crore) stake in SBI Global Factors Limited making it as wholly-owned subsidiary of Bank.
- iv. During the year ended 31<sup>st</sup> March 2023, Bank has acquired additional 40.00% stake in Commercial Indo Bank LLC, Moscow making it as wholly-owned subsidiary of Bank. Amount invested during the year is ₹121.44 Crore.
- v. During the year ended 31<sup>st</sup> March 2023, Bank has infused an additional capital of ₹530.49 Crore in PT Bank SBI Indonesia, a subsidiary. Consequently, Bank's stake has increased from 99.34% to 99.56%.
- vi. During the year ended 31<sup>st</sup> March 2023, Bank's stake in Jio Payments Bank Ltd., a joint venture, has reduced from 30.00% to 23.02% as Bank did not participate in the right issue of equity shares offered by the Company.
- vii. During the year ended 31<sup>st</sup> March 2023, Yes Bank Ltd., an associate, has allotted 369,61,55,702 equity shares on preferential basis to other investors. Consequently, Bank's stake has reduced from 30.00% to 26.14%.
- viii. During the year ended 31<sup>st</sup> March 2023, Bank invested an additional investment of ₹1.14 Crore (of which ₹0.14 Crore towards premium) in PSB Alliance Pvt. Ltd. (formerly CORDEX India Pvt. Ltd.) through private placement. Bank's stake in the Company is 8.33%.

**b) Movement of provisions for Depreciation on Investments and Investment Fluctuation Reserve**

**i) Movement in provisions held towards depreciation on investments**

|                                                                 | (₹ in Crore) |               |
|-----------------------------------------------------------------|--------------|---------------|
| Particulars                                                     | Current Year | Previous Year |
| Balance at the beginning of the year                            | 10,825.22    | 9,198.25      |
| Add: Provisions made during the year                            | 6,561.52     | 3,440.10      |
| Less: Provision utilised during the year                        | -            | -             |
| Add: Foreign Exchange revaluation adjustment                    | 506.78       | 2.00          |
| Less: Write off/Write back of excess provision during the year. | 1,654.18     | 1,815.13      |
| Balance at the end of the year                                  | 16,238.34    | 10,825.22     |

(Excluding LICRA)

**ii) Movement of Investment Fluctuation Reserve**

|                                                                                                             | (₹ in Crore)       |                    |
|-------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| Particulars                                                                                                 | Current Year       | Previous Year      |
| Opening Balance                                                                                             | 7,695.95           | 3,048.08           |
| Add: Amount transferred during the year                                                                     | 4,575.43           | 4,647.87           |
| Less: Drawdown                                                                                              | -                  | -                  |
| <b>Closing balance</b>                                                                                      | <b>12,271.38</b>   | <b>7,695.95</b>    |
| <b>iii. Closing balance of investments in AFS and HFT category</b>                                          | <b>6,13,569.08</b> | <b>6,00,672.40</b> |
| <b>iv. Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT category</b> | <b>2.00%</b>       | <b>1.28%</b>       |

# SCHEDULES

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

## c) Sales and Transfers Of Securities To/From HTM Category

The value of sales and transfers of securities to/from HTM Category has not exceeded 5% of the book value of investment held in HTM category at the beginning of the year.

## d) Non-SLR Investment Portfolio

### i) Non-Performing Non-SLR Investments

(₹ in Crore)

| Particulars                                      | Current Year    | Previous Year   |
|--------------------------------------------------|-----------------|-----------------|
| Opening Balance                                  | 2,276.71        | 5,229.52        |
| Additions during the year                        | 1,889.18        | 185.95          |
| Reductions during the year                       | 950.20          | 3,138.76        |
| <b>Closing balance</b>                           | <b>3,215.69</b> | <b>2,276.71</b> |
| <b>Total provisions held in respect of above</b> | <b>3,066.55</b> | <b>2,070.06</b> |

### ii) Issuer composition of Non SLR Investments

The issuer composition of non-SLR investments of the Bank is given below:

(₹ in Crore)

| Sr. No.      | Issuer                                                    | Amount             |                    | Extent of Private Placement |                    | Extent of "Below Investment Grade" Securities* |                 | Extent of "Unrated" Securities* |               | Extent of "Unlisted" Securities* |               |
|--------------|-----------------------------------------------------------|--------------------|--------------------|-----------------------------|--------------------|------------------------------------------------|-----------------|---------------------------------|---------------|----------------------------------|---------------|
|              |                                                           | Current Year       | Previous Year      | Current Year                | Previous Year      | Current Year                                   | Previous Year   | Current Year                    | Previous Year | Current Year                     | Previous Year |
| i)           | PSUs                                                      | 42,703.40          | 49,804.97          | 28,663.04                   | 33,542.80          | -                                              | -               | -                               | -             | -                                | -             |
| ii)          | FIs                                                       | 1,49,308.37        | 1,41,044.49        | 84,520.37                   | 82,006.85          | 145.00                                         | 345.07          | -                               | -             | -                                | 70.00         |
| iii)         | Banks                                                     | 18,833.65          | 21,850.25          | 11,356.69                   | 12,503.45          | 23.62                                          | 2,173.31        | 23.62                           | 23.62         | 23.62                            | 23.62         |
| iv)          | Private Corporates                                        | 74,364.75          | 68,269.59          | 30,051.60                   | 29,575.24          | 641.37                                         | 589.73          | 293.79                          | 207.93        | 375.00                           | 707.93        |
| v)           | Subsidiaries/ Joint Ventures**                            | 19,773.32          | 19,043.70          | -                           | -                  | -                                              | -               | -                               | -             | -                                | -             |
| vi)          | Others                                                    | 41,381.38          | 30,990.78          | 3,712.26                    | 2,638.17           | 2,878.45                                       | 5,072.38        | 133.67                          | 17.31         | -                                | -             |
| vii)         | Less: Provision held towards depreciation including LICRA | 14,327.56          | 11,740.95          | 44.40                       | -                  | 45.04                                          | -               | 67.62                           | 56.34         | -                                | 56.34         |
| <b>Total</b> |                                                           | <b>3,32,037.31</b> | <b>3,19,262.83</b> | <b>1,58,259.56</b>          | <b>1,60,266.51</b> | <b>3,643.40</b>                                | <b>8,180.49</b> | <b>383.46</b>                   | <b>192.52</b> | <b>398.62</b>                    | <b>745.21</b> |

\* Investments in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central and State Government Securities and ARCIL are not segregated under these categories as these are exempt from rating/listing guidelines.

\*\* Investments in Subsidiaries/Joint Ventures have not been segregated into various categories as these are not covered under relevant RBI Guidelines.

**e) Repo Transactions including Liquidity Adjustment Facility (LAF) (in face value terms)**

The details of securities sold and purchased under repos and reverse repos including LAF during the year are given below:

**Current Year**

(₹ in Crore)

| Particulars                                    | Minimum outstanding during the year | Maximum outstanding during the year | Daily Average outstanding during the year | Outstanding as on 31 <sup>st</sup> March 2023 |
|------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------------|-----------------------------------------------|
| <b>Securities sold under Repo</b>              |                                     |                                     |                                           |                                               |
| i) Government Securities                       | 93,497.57                           | 2,37,396.58                         | 1,74,620.06                               | 1,13,511.04                                   |
| ii) Corporate Debt Securities                  | 5,529.94                            | 10,152.71                           | 8,519.34                                  | 8,048.12                                      |
| iii) Any other Securities                      | -                                   | 456.39                              | 5.51                                      | -                                             |
| <b>Securities purchased under Reverse Repo</b> |                                     |                                     |                                           |                                               |
| i) Government Securities                       | 530.51                              | 2,52,034.07                         | 27,868.78                                 | 7,395.44                                      |
| ii) Corporate Debt Securities                  | -                                   | 100.18                              | 1.28                                      | -                                             |
| iii) Any other Securities                      | -                                   | -                                   | -                                         | -                                             |

**Previous Year**

(₹ in Crore)

| Particulars                                    | Minimum outstanding during the year | Maximum outstanding during the year | Daily Average outstanding during the year | Outstanding as on 31 <sup>st</sup> March 2022 |
|------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------------|-----------------------------------------------|
| <b>Securities sold under Repo</b>              |                                     |                                     |                                           |                                               |
| i) Government Securities                       | 30,025.27                           | 2,73,518.11                         | 1,62,561.94                               | 1,68,483.03                                   |
| ii) Corporate Debt Securities                  | 4,377.46                            | 8,663.34                            | 5,824.90                                  | 8,663.34                                      |
| iii) Any other Securities                      | -                                   | -                                   | -                                         | -                                             |
| <b>Securities purchased under Reverse Repo</b> |                                     |                                     |                                           |                                               |
| i) Government Securities                       | 44.03                               | 1,89,095.58                         | 1,00,304.84                               | 60,888.22                                     |
| ii) Corporate Debt Securities                  | -                                   | -                                   | -                                         | -                                             |
| iii) Any other Securities                      | -                                   | -                                   | -                                         | -                                             |

# SCHEDULES

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

## 18.4 Asset Quality

### a) Classification of Advances and provisions held

#### Current Year

(₹ in Crore)

|                                                              | Standard<br>Advances  | Sub-<br>standard<br>Advances | Doubtful<br>Advances | Loss<br>Advances | Total Non-<br>Performing<br>Advances | Total               |
|--------------------------------------------------------------|-----------------------|------------------------------|----------------------|------------------|--------------------------------------|---------------------|
| <b>Gross Standard Advances and NPAs</b>                      |                       |                              |                      |                  |                                      |                     |
| A) Opening Balance                                           | 27,06,647.54          | 15,453.17                    | 68,592.40            | 27,977.80        | 1,12,023.37                          | 28,18,670.91        |
| B) Add: Additions during the year                            |                       |                              |                      |                  | 18,420.64                            | 4,90,087.13         |
| C) Less: Reductions during the year*                         |                       |                              |                      |                  | 39,516.23                            | 39,516.23           |
| <b>Closing balance (A+B-C)</b>                               | <b>31,78,314.03</b>   | <b>12,665.08</b>             | <b>51,204.29</b>     | <b>27,058.41</b> | <b>90,927.78</b>                     | <b>32,69,241.81</b> |
| * Reduction in Gross NPAs due to:                            |                       |                              |                      |                  |                                      |                     |
| i) Upgradation                                               |                       |                              |                      |                  | 3,233.50                             | 3,233.50            |
| ii) Recoveries (excluding recoveries from upgraded accounts) |                       |                              |                      |                  | 12,221.46                            | 12,221.46           |
| iii) Technical/Prudential Write Offs                         |                       |                              |                      |                  | -                                    | -                   |
| iv) Write-offs other than those under (iii) above            |                       |                              |                      |                  | 24,061.27                            | 24,061.27           |
| <b>Provisions (excluding Floating Provisions)</b>            |                       |                              |                      |                  |                                      |                     |
| Opening balance of provisions held                           | 19,972.61             | 4,486.76                     | 51,401.49            | 27,977.80        | 83,866.05                            | 1,03,838.66         |
| Add: Fresh provisions made during the year                   |                       |                              |                      |                  | 9,190.34                             | 14,891.38           |
| Less: Excess provision reversed/ Write-off loans             |                       |                              |                      |                  | 23,786.86                            | 23,786.86           |
| <b>Closing balance of provisions held</b>                    | <b>25,673.65</b> \$\$ | <b>2,551.32</b>              | <b>39,659.80</b>     | <b>27,058.41</b> | <b>69,269.53</b>                     | <b>94,943.18</b>    |
| <b>Net NPAs</b>                                              |                       |                              |                      |                  |                                      |                     |
| Opening Balance                                              |                       | 10,966.41                    | 16,999.30            | -                | 27,965.71                            |                     |
| Add: Fresh additions during the year                         |                       |                              |                      |                  | 9,230.19                             |                     |
| Less: Reductions during the year                             |                       |                              |                      |                  | 15,729.26                            |                     |
| <b>Closing Balance</b>                                       |                       | <b>10,113.76</b>             | <b>11,352.88</b>     | <b>-</b>         | <b>21,466.64</b> §                   |                     |

§ Floating provision of ₹191.61 Crore is netted to arrive at net NPA.

\$\$ Excludes additional provision held ₹7,642.38 Crore on Restructured Standard Assets over and above regulatory requirement.

Previous Year

(₹ in Crore)

|                                                              | Standard<br>Advances            | Sub-<br>standard<br>Advances | Doubtful<br>Advances | Loss<br>Advances | Total Non-<br>Performing<br>Advances | Total               |
|--------------------------------------------------------------|---------------------------------|------------------------------|----------------------|------------------|--------------------------------------|---------------------|
| <b>Gross Standard Advances and NPAs</b>                      |                                 |                              |                      |                  |                                      |                     |
| A) Opening Balance                                           | 24,13,004.26                    | 19,590.89                    | 81,767.26            | 25,030.87        | 1,26,389.02                          | 25,39,393.28        |
| B) Add: Additions during the year                            |                                 |                              |                      |                  | 25,021.23                            | 3,18,664.51         |
| C) Less: Reductions during the year*                         |                                 |                              |                      |                  | 39,386.88                            | 39,386.88           |
| <b>Closing balance (A+B-C)</b>                               | <b>27,06,647.54</b>             | <b>15,453.17</b>             | <b>68,592.40</b>     | <b>27,977.80</b> | <b>1,12,023.37</b>                   | <b>28,18,670.91</b> |
| *Reduction in Gross NPAs due to:                             |                                 |                              |                      |                  |                                      |                     |
| i) Upgradation                                               |                                 |                              |                      |                  | 9,377.57                             | 9,377.57            |
| ii) Recoveries (excluding recoveries from upgraded accounts) |                                 |                              |                      |                  | 10,343.09                            | 10,343.09           |
| iii) Technical/Prudential Write-offs                         |                                 |                              |                      |                  | -                                    | -                   |
| iv) Write-offs other than those under (iii) above            |                                 |                              |                      |                  | 19,666.22                            | 19,666.22           |
| <b>Provisions (excluding Floating Provisions)</b>            |                                 |                              |                      |                  |                                      |                     |
| Opening balance of provisions held                           | 15,293.98                       | 5,758.39                     | 58,598.43            | 25,030.87        | 89,387.69                            | 1,04,681.67         |
| Add: Fresh provisions made during the year                   |                                 |                              |                      |                  | 14,142.96                            | 18,821.58           |
| Less: Excess provision reversed/Write-off loans              |                                 |                              |                      |                  | 19,664.60                            | 19,664.60           |
| <b>Closing balance of provisions held</b>                    | <b>19,972.61<sup>\$\$</sup></b> | <b>4,486.76</b>              | <b>51,401.48</b>     | <b>27,977.80</b> | <b>83,866.05</b>                     | <b>1,03,838.65</b>  |
| <b>Net NPAs</b>                                              |                                 |                              |                      |                  |                                      |                     |
| Opening Balance                                              |                                 | 13,832.50                    | 22,977.22            | -                | 36,809.72                            |                     |
| Add: Fresh additions during the year                         |                                 |                              |                      |                  | 10,878.27                            |                     |
| Less: Reductions during the year                             |                                 |                              |                      |                  | 19,722.28                            |                     |
| <b>Closing Balance</b>                                       |                                 | <b>10,966.41</b>             | <b>16,999.30</b>     | <b>-</b>         | <b>27,965.71<sup>\$</sup></b>        |                     |

\$ Floating provision of ₹ 191.61 Crore is netted to arrive at net NPA.

\$\$ Excludes additional provision held ₹ 7,912.38 Crore on Restructured Standard Assets over and above regulatory requirement.

Floating Provisions:

(₹ in Crore)

| Particulars                                     | Current Year  | Previous Year |
|-------------------------------------------------|---------------|---------------|
| Opening Balance                                 | 193.75        | 193.75        |
| Add: Additional provisions made during the year | -             | -             |
| Less: Amount drawn down during the year         | -             | -             |
| <b>Closing balance of floating provisions</b>   | <b>193.75</b> | <b>193.75</b> |

Technical write-offs and the recoveries made thereon:

(₹ in Crore)

| Particulars                                                                                     | Current Year | Previous Year |
|-------------------------------------------------------------------------------------------------|--------------|---------------|
| Opening balance of Technical/Prudential written-off accounts                                    | -            | -             |
| Add: Technical/Prudential write-offs during the year                                            | -            | -             |
| Less: Recoveries made from previously technical/prudential written-off accounts during the year | -            | -             |
| <b>Closing balance</b>                                                                          | <b>-</b>     | <b>-</b>      |

# SCHEDULES

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

## Asset Quality Ratios:

| Particulars                                   | Current Year | Previous Year |
|-----------------------------------------------|--------------|---------------|
| Gross NPA to Gross Advances                   | 2.78%        | 3.97%         |
| Net NPA to Net Advances                       | 0.67%        | 1.02%         |
| Provision Coverage Ratio (PCR) excluding AUCA | 76.39%       | 75.04%        |
| Provision Coverage Ratio (PCR) including AUCA | 91.91%       | 90.20%        |

AUCA represents fully provided accounts which have been transferred to a separate head called Advance Under Collection Account amounting to ₹1,74,569.54 Crore (Previous Year ₹1,73,334.40 Crore) of these AUCA amounting to ₹7,692.70 Crore is more than 10 years old.

## b) Sector-wise Advances

| (₹ in Crore)           |                                                     |                            |            |                                                  |                            |             |                                                  |  |
|------------------------|-----------------------------------------------------|----------------------------|------------|--------------------------------------------------|----------------------------|-------------|--------------------------------------------------|--|
| Sr. No.                | Sector                                              | Current Year               |            |                                                  | Previous Year              |             |                                                  |  |
|                        |                                                     | Outstanding Total Advances | Gross NPAs | % of Gross NPAs to Total Advances in that sector | Outstanding Total Advances | Gross NPAs  | % of Gross NPAs to Total Advances in that sector |  |
| A. Priority Sector     |                                                     |                            |            |                                                  |                            |             |                                                  |  |
| 1.                     | Agriculture & allied activities                     | 2,56,044.09                | 29,587.72  | 11.56                                            | 2,26,323.87                | 30,281.87   | 13.38                                            |  |
| 2.                     | Industry sector eligible as priority sector lending | 1,08,965.94                | 5,550.08   | 5.09                                             | 1,28,015.22                | 10,832.34   | 8.46                                             |  |
| 3.                     | Services                                            | 1,61,450.44                | 4,045.64   | 2.51                                             | 1,53,385.75                | 9,989.11    | 6.51                                             |  |
| 4.                     | Personal Loans                                      | 1,99,327.20                | 2,188.53   | 1.10                                             | 1,87,896.41                | 2,158.71    | 1.15                                             |  |
| Sub-total (A)          |                                                     | 7,25,787.67                | 41,371.97  | 5.70                                             | 6,95,621.25                | 53,262.03   | 7.66                                             |  |
| B. Non-Priority Sector |                                                     |                            |            |                                                  |                            |             |                                                  |  |
| 1.                     | Agriculture & allied activities                     | 2,894.08                   | 198.08     | 6.84                                             | 2,350.56                   | 197.83      | 8.42                                             |  |
| 2.                     | Industry                                            | 7,51,106.55                | 29,716.22  | 3.96                                             | 6,93,310.91                | 40,015.00   | 5.77                                             |  |
| 3.                     | Services                                            | 8,08,091.42                | 14,373.75  | 1.78                                             | 6,10,645.37                | 13,279.56   | 2.17                                             |  |
| 4.                     | Personal Loans                                      | 9,81,362.09                | 5,267.76   | 0.54                                             | 8,16,742.82                | 5,268.95    | 0.65                                             |  |
| Sub-total (B)          |                                                     | 25,43,454.14               | 49,555.81  | 1.95                                             | 21,23,049.66               | 58,761.34   | 2.77                                             |  |
| C. Total (A+B)         |                                                     | 32,69,241.81               | 90,927.78  | 2.78                                             | 28,18,670.91               | 1,12,023.37 | 3.97                                             |  |

## c) Overseas Assets, NPAs and Revenue

| (₹ in Crore) |                    |              |
|--------------|--------------------|--------------|
| Sr. No.      | Particulars        | Current Year |
| 1.           | Total Assets       | 6,07,517.76  |
| 2.           | Total NPAs (Gross) | 1,951.47     |
| 3.           | Total Revenue      | 20,735.96    |



**d) Resolution plan and restructuring:**

**i) Restructuring of advances in terms of RBI Circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7<sup>th</sup> June 2019**

| Asset Classification of assets subject to Resolution Plan & restructuring | Current Year       |                                 | Previous Year      |                                 |
|---------------------------------------------------------------------------|--------------------|---------------------------------|--------------------|---------------------------------|
|                                                                           | Number of Borrower | Amount outstanding (₹ in Crore) | Number of Borrower | Amount outstanding (₹ in Crore) |
| Standard                                                                  | 2                  | 577                             | -                  | -                               |
| Sub-standard                                                              | 1                  | 137                             | -                  | -                               |
| Doubtful                                                                  | 6                  | 988                             | 8                  | 2,690                           |
| <b>Total</b>                                                              | <b>9</b>           | <b>1,702</b>                    | <b>8</b>           | <b>2,690</b>                    |

**ii) Acquisition of shares due to conversion of debt to equity during the restructuring process:**

Equity shares acquired by way of conversion of debt to equity during the restructuring process did not exceed the prescribed regulatory ceilings/restriction on capital market exposure, investment in para banking activities & intra group exposure.

**iii) MSME Restructuring:**

As per RBI circular no. DBR.No.BP.BC.18/21.04.048/2018-19 dated 1<sup>st</sup> January 2019, the details of restructured MSME accounts is as below:

| Particulars                        | Current Year | Previous Year |
|------------------------------------|--------------|---------------|
| No. of accounts restructured       | 85,738       | 96,464        |
| Aggregate outstanding (₹ in Crore) | 7,406.84     | 8,877.10      |

**e) Divergence in asset classification and provisioning:**

No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended 31<sup>st</sup> March 2022, based on the conditions mentioned in RBI circular No. DOR. ACC.REC.No.74/21.04.018/2022-23 dated 11<sup>th</sup> October 2022.

**f) Disclosure of Transfer of Loan Accounts (SMAs & NPAs) in terms of RBI Circular No. DOR.STR. REC.51/21.04.048/2021-22 dated 24<sup>th</sup> September 2021:**

**Transfer of Loans:**

- i) The details of the Non-Performing Assets transferred during the year ended 31<sup>st</sup> March 2023 is given in the table below:

| Sr. No. | Particulars                                                                                        | To ARCs  | To permitted transferees | To other transferees |
|---------|----------------------------------------------------------------------------------------------------|----------|--------------------------|----------------------|
| a)      | No of accounts                                                                                     | 26       | 14                       | -                    |
| b)      | Aggregate principal outstanding of loans transferred (₹ in Crore)                                  | 7,613.20 | 414.31                   | -                    |
| c)      | Weighted average residual tenor of the loans transferred (Years)                                   | 0.29     | 0.02                     | -                    |
| d)      | Net book value of loans transferred (at the time of transfer) (₹ in Crore)                         | 315.95   | 23.54                    | -                    |
| e)      | Aggregate consideration (₹ in Crore)                                                               | 3,145.57 | 214.65                   | -                    |
| f)      | Additional consideration realised in respect of accounts transferred in earlier years (₹ in Crore) | 74.83    | -                        | -                    |

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

Excess Provision amounting to ₹2,628.41 Crore (Previous Year ₹429.92 Crore) on sale of NPAs to Securitisation Company (SC)/Reconstruction Company (RC) has been accounted for in the Profit & Loss Account.

During the year ended 31<sup>st</sup> March 2023, investment made in Security Receipts (SRs) was ₹322.69 Crore. The Security Receipts are provided for and hence the book value is nil across various categories of Ratings assigned to Security Receipts by the Credit Rating Agencies as on 31<sup>st</sup> March 2023.

Provision held on the security receipts as on 31<sup>st</sup> March 2023 is ₹7,009.38 Crore (as on 31<sup>st</sup> March 2022 the same was ₹7,859.04 Crore.)

- ii) The bank has not transferred any Special Mention Account and loan not in default.

### Purchase of Loans:

- iii) The Bank has not acquired any stressed loan.
- iv) The Bank has purchased homogeneous assets from NBFCs/ HFCs/ MFIs which are not in default under Direct Assignment Route covered under Transfer of Loan Exposure. The Bank purchased secured home loans and secured & unsecured SME and ABU loans.

Details of loans-not-in-default acquired during the year ended on 31<sup>st</sup> March 2023 through assignment are given below:

| Particulars                                                    | From SCB, RRBs, UCBs,<br>SICBs, DCCBs, AIFIs,<br>SFBs and NBFCs including<br>Housing Finance Companies<br>(HFCs) |                   | From ARCs       |                   |
|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------|-----------------|-------------------|
|                                                                | Secured<br>Loan                                                                                                  | Unsecured<br>Loan | Secured<br>Loan | Unsecured<br>Loan |
| Aggregate principal outstanding of loans acquired (₹ in Crore) | 3,633.46                                                                                                         | 8,144.60          | Nil             | Nil               |
| Aggregate consideration paid (₹ in Crore)                      | 3,270.12                                                                                                         | 6,990.94          | Nil             | Nil               |
| Weighted average residual tenor of the loans acquired (years)  | 11.07                                                                                                            | 1.70              | Nil             | Nil               |
| Weighted average holding period by the originator (years)      | 1.14                                                                                                             | 0.25              | Nil             | Nil               |
| Retention of the beneficial interest by the originator         | 10.00%                                                                                                           | 13.35%            | Nil             | Nil               |
| Tangible Security Coverage                                     | 173.50%                                                                                                          | NA                | Nil             | Nil               |

- v) The loans acquired are not rated as these are not corporate borrowers.

### g) Fraud Reported and provision made during the year:

| Particulars                                                                                          | Current Year | Previous Year |
|------------------------------------------------------------------------------------------------------|--------------|---------------|
| Number of Frauds reported                                                                            | 2,755        | 4,192         |
| Amount involved in Fraud (₹ in Crore)                                                                | 4,878.18     | 7,100.65      |
| Amount of provision made for such frauds (₹ in Crore)                                                | 4,878.18     | 7,100.65      |
| Amount of unamortised provision debited from 'Other Reserves' as at the end of the year (₹ in Crore) | Nil          | Nil           |

#### h) Resolution of COVID-19 related Stress:

The details of resolution plan as on 31<sup>st</sup> March 2023, in terms of RBI Circular DOR. No. BP.BC/3/21.04.048/2020-21 dated 6<sup>th</sup> August 2020 (Resolution Framework 1.0) and DOR.STR.REC.11/21.04.048/2021-22 dated 5<sup>th</sup> May 2021 (Resolution Framework 2.0) are:

(₹ in Crore)

| Sr. No. | Type of borrower                 | (A)<br>Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year | (B)<br>Of (A), aggregate debt that slipped into NPA during the half-year | (C)<br>Of (A) amount written off during the half-year | (D)<br>Of (A) amount paid by the borrowers during the half-year | (E)<br>Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year |
|---------|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Personal Loans                   | 15,017                                                                                                                                                | 536                                                                      | -                                                     | 270                                                             | 14,211                                                                                                                                        |
| 2.      | Corporate persons of which, MSME | 12,319                                                                                                                                                | 1,072                                                                    | -                                                     | 1,156                                                           | 10,091                                                                                                                                        |
|         |                                  | 11,045                                                                                                                                                | 1,011                                                                    | -                                                     | 987                                                             | 9,047                                                                                                                                         |
| 3.      | Others                           | -                                                                                                                                                     | -                                                                        | -                                                     | -                                                               | -                                                                                                                                             |
|         | <b>Total</b>                     | <b>27,336</b>                                                                                                                                         | <b>1,608</b>                                                             | <b>-</b>                                              | <b>1,426</b>                                                    | <b>24,302</b>                                                                                                                                 |

(Includes restructuring implemented during the half-year ended September 2021 under the Resolution Framework 1.0)

## 18.5 Exposures

The Bank is lending to sectors, which are sensitive to asset price fluctuations.

#### a) Real Estate Sector

(₹ in Crore)

| Particulars                                                                                                                                                                                                                                                                                                                                 | Current Year       | Previous Year      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>I) Direct exposure</b>                                                                                                                                                                                                                                                                                                                   |                    |                    |
| <b>i) Residential Mortgages</b>                                                                                                                                                                                                                                                                                                             |                    |                    |
| Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.                                                                                                                                                                                                                   | 5,50,747.02        | 4,80,518.54        |
| Of which (i) Individual housing loans up to ₹ 35 Lakh (previous year ₹ 35 Lakh) in Metropolitan centres (Population >= 10 Lakh) and ₹ 25 Lakh (previous year ₹ 25 Lakh) in other centres for purchase/construction of dwelling unit per family.                                                                                             | 2,51,213.68        | 2,17,267.02        |
| <b>ii) Commercial Real Estate</b>                                                                                                                                                                                                                                                                                                           |                    |                    |
| Lending secured by mortgages on Commercial Real Estates (office building, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development, and construction etc. Exposures include non-fund based (NFB) limits. | 50,409.72          | 47,672.02          |
| <b>iii) Investments in Mortgage-Backed Securities (MBS) and other securitised exposures:</b>                                                                                                                                                                                                                                                |                    |                    |
| a) Residential                                                                                                                                                                                                                                                                                                                              | -                  | -                  |
| b) Commercial Real Estate                                                                                                                                                                                                                                                                                                                   | -                  | -                  |
| <b>II) Indirect Exposure</b>                                                                                                                                                                                                                                                                                                                |                    |                    |
| Fund based and non-fund-based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)                                                                                                                                                                                                                                 | 1,28,006.76        | 96,802.79          |
| <b>Total Exposure to Real Estate Sector</b>                                                                                                                                                                                                                                                                                                 | <b>7,29,163.50</b> | <b>6,24,993.35</b> |

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

### b) Capital Market

| (₹ in Crore)                                                                                                                                                                                                                                                                                                                                                 |                  |                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Particulars                                                                                                                                                                                                                                                                                                                                                  | Current Year     | Previous Year    |
| 1. Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt.                                                                                                                                                                | 16,870.59        | 14,566.26        |
| 2. Advances against shares/ bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds.                                                                                                                    | 65.73            | 110.25           |
| 3. Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.                                                                                                                                                                                       | -                | -                |
| 4. Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances. | 2,149.02         | 2,321.58         |
| 5. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers                                                                                                                                                                                                                                          | 4,106.64         | 1,568.01         |
| 6. Loans sanctioned to corporates against the security of shares/ bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.                                                                                                                           | -                | -                |
| 7. Bridge loans to companies against expected equity flows/issues.                                                                                                                                                                                                                                                                                           | -                | -                |
| 8. Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.                                                                                                                                                                             | -                | -                |
| 9. Financing to stockbrokers for margin trading.                                                                                                                                                                                                                                                                                                             | -                | -                |
| 10. Exposures to Venture Capital Funds (both registered and unregistered)                                                                                                                                                                                                                                                                                    | 4,302.21         | 4,325.30         |
| <b>Total Exposure to Capital Market</b>                                                                                                                                                                                                                                                                                                                      | <b>27,494.19</b> | <b>22,891.40</b> |

### c) Risk Category-wise Country Exposure

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table.

| (₹ in Crore)  |                                      |                                      |                                      |                                      |
|---------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Risk Category | Net Funded Exposure                  |                                      | Provision held                       |                                      |
|               | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
| Insignificant | 404.93                               | 1,782.72                             | Nil                                  | Nil                                  |
| Very Low      | 2,25,110.30                          | 2,22,431.21                          | 196.15                               | 165.12                               |
| Low           | 62,630.30                            | 27,346.84                            | Nil                                  | Nil                                  |
| Medium        | 33,154.94                            | 29,467.82                            | Nil                                  | Nil                                  |
| High          | 22,138.32                            | 23,470.66                            | Nil                                  | Nil                                  |
| Very High     | 5,799.64                             | 5,402.11                             | Nil                                  | Nil                                  |
| Restricted    | 5,465.54                             | 6,160.87                             | Nil                                  | Nil                                  |
| <b>Total</b>  | <b>3,54,703.98</b>                   | <b>3,16,062.23</b>                   | <b>196.15</b>                        | <b>165.12</b>                        |

The country exposure (net funded) of the Bank for any country does not exceed 1% of its total assets except on USA, hence provision for the country exposure on USA has been made.

### d) Unsecured Advances

| (₹ in Crore)                                                                                                                  |              |               |
|-------------------------------------------------------------------------------------------------------------------------------|--------------|---------------|
| Particulars                                                                                                                   | Current Year | Previous Year |
| a) Total Unsecured Advances of the bank                                                                                       | 9,30,364.53  | 7,44,594.25   |
| i) Of which amount of advances outstanding against charge over intangible securities such as rights, licences, authority etc. | Nil          | Nil           |
| ii) The estimated value of such intangible securities (as in (i) above).                                                      | Nil          | Nil           |

**e) Factoring Exposures:**

The Banks factoring exposure as at 31<sup>st</sup> March 2023 is ₹28,565.16 Crore (Previous Year ₹20,136.45 Crore).

**f) Intra-Group Exposures:**

| (₹ in Crore)                                                                             |              |               |
|------------------------------------------------------------------------------------------|--------------|---------------|
| Particulars                                                                              | Current Year | Previous Year |
| Total amount of intra-group exposures                                                    | 55,540.06    | 24,431.05     |
| Total amount of top-20 intra-group exposures                                             | 55,540.06    | 24,430.71     |
| Percentage of intra-group exposures to total exposure of the bank on borrowers/customers | 1.09%        | 0.54%         |
| Details of breach of limits on intra-group exposures and regulatory action thereon       | Nil          | Nil           |

**g) Unhedged Foreign Currency Exposure:**

- An amount of ₹239.18 Crore (Previous Year ₹145.37 Crore) was held as on 31<sup>st</sup> March 2023 towards Currency Induced Credit Risk.
- Capital allocated for Currency Induced Credit Risk amounts to ₹420.39 Crore (Previous Year ₹72.90 Crore).

**h) Single Borrower and Group Borrower exposure limits exceeded by the Bank:**

The Bank has not exceeded the single borrower exposure & Group Borrower exposure prudential limits as prescribed by RBI.

**18.6 Concentration of Deposits, Advances, Exposures & NPAs (computed as per directions of RBI)****a) Concentration of Deposits**

| Particulars                                                                       | Current Year | Previous Year |
|-----------------------------------------------------------------------------------|--------------|---------------|
| Total Deposits of twenty largest depositors (₹ in Crore)                          | 1,76,611.88  | 1,61,936.62   |
| Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank | 3.99%        | 4.00%         |

**b) Concentration of Advances**

| Particulars                                                                            | Current Year | Previous Year |
|----------------------------------------------------------------------------------------|--------------|---------------|
| Total Advances to twenty largest borrowers (₹ in Crore)                                | 4,01,754.30  | 3,46,209.56   |
| Percentage of Advances to twenty largest borrowers to Total Gross Advances of the Bank | 12.29%       | 12.28%        |

**c) Concentration of Exposures**

| Particulars                                                                                                          | Current Year | Previous Year |
|----------------------------------------------------------------------------------------------------------------------|--------------|---------------|
| Total Exposure to twenty largest borrowers/customers (₹ in Crore)                                                    | 5,55,744.92  | 4,99,542.80   |
| Percentage of Exposures to twenty largest borrowers/ customers to Total Exposure of the Bank on borrowers/ customers | 10.95%       | 11.05%        |

**d) Concentration of NPAs**

| Particulars                                                                        | Current Year | Previous Year |
|------------------------------------------------------------------------------------|--------------|---------------|
| Total Exposure to top twenty largest NPA exposure to Total Gross NPAs (₹ in Crore) | 19,716.80    | 29,921.64     |
| Percentage of exposures to the twenty largest NPA accounts to total gross NPAs     | 21.68%       | 27.26%        |

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## 18.7 Derivatives

### a) Forward Rate Agreements (FRA)/Interest Rate Swaps (IRS)

(₹ in Crore)

| Sr. No. | Particulars                                                                                            | Current Year    | Previous Year   |
|---------|--------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| i)      | The notional principal of swap agreements <sup>#</sup>                                                 | 8,43,159.96     | 5,14,809.90     |
| ii)     | Losses which would be incurred if counterparties fail to fulfil their obligations under the agreements | 4,058.55        | 2,537.80        |
| iii)    | Collateral required by the Bank upon entering swaps                                                    | -               | 453.97          |
| iv)     | Concentration of credit risk arising from the swaps                                                    | Not significant | Not significant |
| v)      | The fair value of the swap book                                                                        | 3,309.87        | 1,532.87        |

<sup>#</sup>Excludes IRS/FRA amounting to ₹ 40,744.08 Crore (Previous Year ₹ 37,265.38 Crore) entered with the Bank's own foreign offices.

Nature and terms of Forward Rate Agreement or Interest Rate Swaps as on 31<sup>st</sup> March 2023 are given below:

(₹ in Crore)

| Instrument   | Nature  | Nos.          | Notional Principal | Benchmark | Terms                                   |
|--------------|---------|---------------|--------------------|-----------|-----------------------------------------|
| IRS          | Trading | 6,295         | 3,19,111.04        | MIBOR     | Floating Payable Vs Fixed Receivable    |
| IRS          | Trading | 6,004         | 3,14,875.79        | MIBOR     | Fixed Payable Vs Floating Receivable    |
| IRS          | Hedging | 101           | 56,617.04          | SOFR      | Fixed Receivable Vs Floating Payable    |
| IRS          | Trading | 78            | 38,815.10          | LIBOR     | Floating Payable Vs Fixed Receivable    |
| IRS          | Trading | 160           | 35,621.68          | OTHERS    | Floating Payable Vs Fixed Receivable    |
| IRS          | Trading | 52            | 24,667.14          | LIBOR     | Fixed Payable Vs Floating Receivable    |
| IRS          | Trading | 26            | 16,557.26          | LIBOR     | Floating Payable Vs Floating Receivable |
| IRS          | Hedging | 12            | 14,065.69          | LIBOR     | Fixed Receivable Vs Floating Payable    |
| IRS          | Hedging | 168           | 10,793.83          | LIBOR     | Fixed Receivable Vs Floating Payable    |
| IRS          | Trading | 85            | 5,898.58           | OTHERS    | Fixed Payable Vs Floating Receivable    |
| IRS          | Trading | 11            | 2,626.85           | LIBOR     | Floating Receivable Vs Fixed Payable    |
| IRS          | Hedging | 21            | 2,293.85           | OTHERS    | Fixed Receivable Vs Floating Payable    |
| IRS          | Hedging | 10            | 1,051.78           | FIXED     | Floating Receivable Vs Fixed Payable    |
| IRS          | Trading | 1             | 164.34             | SOFR      | Floating Receivable Vs Fixed Payable    |
| <b>Total</b> |         | <b>13,024</b> | <b>8,43,159.97</b> |           |                                         |

### b) Exchange Traded Interest Rate Derivatives

(₹ in Crore)

| Sr. No. | Particulars                                                                                                                          | Current Year | Previous Year |
|---------|--------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------|
| 1.      | Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)                  |              |               |
| a)      | Interest Rate Futures                                                                                                                | Nil          | Nil           |
| b)      | 10 Year Government of India Securities                                                                                               | 13,718.42    | 3,988.26      |
| 2.      | Notional principal amount of exchange traded interest rate derivatives outstanding as on end of the financial year (instrument-wise) |              |               |
| a)      | Interest Rate Futures                                                                                                                | Nil          | Nil           |
| b)      | 10 Year Government of India Securities                                                                                               | 165.00       | 501.00        |
| 3.      | Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)      | N.A.         | N.A.          |
| 4.      | Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)           | N.A.         | N.A.          |

### c) Risk Exposure in Derivatives

#### Qualitative Risk Exposure

- i) The Bank currently deals in over the counter (OTC) interest rate and currency derivatives as also in Interest Rate Futures and Exchange Traded Currency Derivatives.

Interest Rate Derivatives dealt by the Bank are rupee interest rate swaps, foreign currency interest rate swaps and forward rate agreements, cap, floor and collars.

Currency derivatives dealt by the Bank are currency swaps, rupee dollar options and cross-currency options.

The Bank also deals in Non-deliverable Options and Non-deliverable Forwards as permitted by RBI.

The products are offered to the Bank's customers to hedge their exposures and the Bank also enters into derivatives contracts to cover off such exposures. Derivatives are used by the Bank both for trading as well as hedging balance sheet items.

The Bank also runs option position in USD/INR, which is managed through various types of loss limits and Greek limits.

- ii) Derivative transactions carry market risk i.e. the probable loss the Bank may incur as a result of adverse movements in interest rates/exchange rates and credit risk i.e. the probable loss the Bank may incur if the counterparties fail to meet their obligations. The Bank's "Policy for Derivatives" approved by the Board prescribes the market risk parameters (Greek limits, Loss Limits, cut-loss triggers, open position limits, duration, modified duration, PV01 etc.) as well as customer eligibility criteria (credit rating, tenure of relationship, limits and customer appropriateness and suitability of policy (CAS) etc.) for entering into derivative transactions. Credit risk is controlled by entering into derivative transactions only with counterparties satisfying the criteria prescribed in the Policy. Appropriate limits are set for the counterparties taking into account their ability to honour obligations and the Bank enters into ISDA agreement with each counterparty.
- iii) The Asset Liability Management Committee (ALCO) of the Bank oversees efficient management of these risks. The Bank's Market Risk Management Department (MRMD) identifies, measures, monitors market risk associated with derivative transactions, assists ALCO in controlling and managing these risks and reports compliance with policy prescriptions to the Risk Management Committee of the Board (RMCB) at regular intervals.
- iv) The accounting policy for derivatives has been drawn-up in accordance with RBI guidelines, the details of which are presented under Schedule 17: Significant Accounting Policies (SAP).
- v) Interest Rate Swaps are mainly used for hedging of the assets and liabilities.
- vi) Majority of the swaps were done with First class counterparty banks.
- vii) Derivative transactions comprise of swaps which are disclosed as contingent liabilities. The swaps are categorised as trading or hedging.
- viii) Derivative deals are entered with only those interbank participants for whom counterparty exposure limits are sanctioned. Similarly, derivative deals entered with only those corporates for whom credit exposure limit is sanctioned. Collateral requirements for derivative transactions are laid down as a part of credit sanctions terms on a case by case basis. Such collateral requirements are determined based on usual credit appraisal process. The Bank retains the right to terminate transactions as a risk mitigation measure in certain cases.

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## Quantitative Risk Exposure

| Particulars                                                             | Currency Derivatives  |                        | Interest Rate Derivatives |                        |
|-------------------------------------------------------------------------|-----------------------|------------------------|---------------------------|------------------------|
|                                                                         |                       |                        |                           |                        |
|                                                                         | Current Year          | Previous Year          | Current Year              | Previous Year          |
| I) Derivatives (Notional Principal Amount)                              |                       |                        |                           |                        |
| a) For hedging                                                          | 8,389.39 <sup>@</sup> | 17,269.22 <sup>@</sup> | 47,965.32 <sup>#</sup>    | 54,974.80 <sup>#</sup> |
| b) For trading *                                                        | 11,91,495.97          | 13,90,743.44           | 7,95,194.64               | 4,65,802.38            |
| II) Marked to Market Positions                                          |                       |                        |                           |                        |
| a) Asset (+)                                                            | 7,575.32              | 9,219.37               | 4,058.55                  | 2,537.80               |
| b) Liability (-)                                                        | 11,160.26             | 9,254.89               | 4,196.40                  | 2,347.92               |
| III) Credit Exposure                                                    | 41,469.48             | 47,965.29              | 10,545.92                 | 7,180.48               |
| IV) Likely impact of one percentage change in interest rate (100* PV01) |                       |                        |                           |                        |
| a) on hedging derivatives                                               | 19.72                 | 17.63                  | 1,585.10                  | 1,513.11               |
| b) on trading derivatives                                               | 497.23                | 871.86                 | 274.68                    | 401.07                 |
| V) Maximum and Minimum of 100*PV01 observed during the year             |                       |                        |                           |                        |
| a) on hedging -                                                         |                       |                        |                           |                        |
| Maximum                                                                 | 29.22                 | 23.39                  | 1,637.88                  | 1,572.46               |
| Minimum                                                                 | 7.60                  | 15.97                  | 1,255.24                  | 1,109.15               |
| b) on trading -                                                         |                       |                        |                           |                        |
| Maximum                                                                 | 876.56                | 938.43                 | 528.42                    | 512.07                 |
| Minimum                                                                 | 497.23                | 516.20                 | 246.90                    | 23.91                  |

@ Excludes swaps amounting to ₹2,027.92 Crore (Previous Year ₹2,003.56 Crore) entered with the Bank's own foreign offices.

# IRS/FRA amounting to ₹40,744.08 Crore (Previous Year ₹37,265.38 Crore) entered with the Bank's own Foreign offices are excluded.

\* Excludes Currency Derivatives of ₹86.38 Crore (Previous Year ₹403.87 Crore) and NDF ₹5,286.71 Crore (Previous Year ₹4,693.25 Crore) done with the Bank's Foreign offices.

- The outstanding notional amount of derivatives done between Global Markets Unit and International Banking Group as on 31<sup>st</sup> March 2023 amounted to ₹40,744.08 Crore (Previous Year ₹44,366.06 Crore) and the derivatives done between SBI Foreign Offices as on 31<sup>st</sup> March 2023 amounted to ₹2,027.92 Crore (Previous Year ₹34,018.38 Crore).
- The outstanding notional amount of interest rate derivatives which are not marked-to-market (MTM) where the underlying Assets/Liabilities are not marked-to-market as on 31<sup>st</sup> March 2023 amounted to ₹1,16,255.32 Crore (Previous Year ₹98,921.35 Crore).

### d) Credit Default Swaps

Bank has not entered any Credit Default Swap.

## 18.8 Disclosure relating to Securitisation

The bank has not securitised any standard assets.

## 18.9 Off-balance Sheet SPVs sponsored

The Bank has not floated any off Balance Sheet SPV.



## 18.10 Unclaimed Liabilities transferred to Depositor Education and Awareness Fund

(₹ in Crore)

| Particulars                                               | Current Year    | Previous Year   |
|-----------------------------------------------------------|-----------------|-----------------|
| Opening balance of amounts transferred to DEA Fund        | 4,513.87        | 3,636.41        |
| Add: Amounts transferred to DEA Fund                      | 6,970.26        | 893.35          |
| Less: Amounts reimbursed by DEA Fund                      | 2,531.92        | 15.89           |
| <b>Closing balance of amounts transferred to DEA Fund</b> | <b>8,952.21</b> | <b>4,513.87</b> |

## 18.11 Disclosure of complaints

### a) Summary information of complaints received by the bank from customers and from the office of Ombudsman on complaints and grievance redress:

| Sr. No.                                                                      | Particulars                                                                                                   | Current Year        | Previous Year       |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Complaints received by the bank from its customers</b>                    |                                                                                                               |                     |                     |
| 1.                                                                           | Number of complaints pending at beginning of the year                                                         | 1,82,212            | 1,46,280            |
| 2.                                                                           | Number of complaints received during the year                                                                 | 38,63,085           | 34,52,782           |
| 3.                                                                           | Number of complaints disposed during the year                                                                 | 39,10,185           | 34,16,850           |
| 3.1                                                                          | Of which, number of complaints rejected by the bank                                                           | 1,72,002            | 93,618              |
| 4.                                                                           | Number of complaints pending at the end of the year                                                           | 1,35,112            | 1,82,212            |
| <b>Maintainable complaints received by the bank from Office of Ombudsman</b> |                                                                                                               |                     |                     |
| 5.                                                                           | Number of maintainable complaints received by the bank from Office of Ombudsman                               | 31,038 <sup>@</sup> | 45,693 <sup>#</sup> |
| 5.1                                                                          | Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman                              | 12,653              | 35,297              |
| 5.2                                                                          | Of 5, number of complaints resolved through conciliation/ mediation/ advisories issued by Office of Ombudsman | 17,356              | 8,664               |
| 5.3                                                                          | Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank           | 3                   | 1                   |
| 6.                                                                           | Number of Awards unimplemented within the stipulated time (other than those appealed)                         | 0                   | 0                   |

@ Including complaints which were pending as at the end of the FY 2021-22 and carried over to FY 2022-23

# Including complaints which were pending as at the end of the FY 2020-21 and carried over to FY 2021-22

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.

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### b) Top five grounds of complaints received by the bank from customers

| Grounds of complaints,<br>(i.e. complaints relating to) | Number of<br>complaints<br>pending at the<br>beginning of the<br>year | Number of<br>complaints<br>received during<br>the year | % increase/<br>decrease in<br>the number<br>of complaints<br>received over<br>the previous<br>year | Number of<br>complaints<br>pending at the<br>end of the year | Of 5, number<br>of complaints<br>pending beyond<br>30 days |
|---------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------|
| 1                                                       | 2                                                                     | 3                                                      | 4                                                                                                  | 5                                                            | 6                                                          |
| <b>Current Year</b>                                     |                                                                       |                                                        |                                                                                                    |                                                              |                                                            |
| ATM/ Debit Card                                         | 65,097                                                                | 14,94,562                                              | -20.66                                                                                             | 49,435                                                       | -                                                          |
| Internet Banking/ Mobile/<br>Electronic Banking         | 97,236                                                                | 20,98,317                                              | 56.17                                                                                              | 83,450                                                       | 62,242                                                     |
| Bank Charges levied                                     | 3,766                                                                 | 30,856                                                 | -44.18                                                                                             | 38                                                           | -                                                          |
| Account Opening/difficulty in<br>Operation of accounts  | 8,339                                                                 | 23,366                                                 | -4.74                                                                                              | 92                                                           | -                                                          |
| Cheque Book related                                     | 1,694                                                                 | 22,638                                                 | 10.80                                                                                              | 19                                                           | -                                                          |
| Others                                                  | 6,080                                                                 | 1,93,346                                               | 54.37                                                                                              | 2,078                                                        | 1,909                                                      |
| <b>Total</b>                                            | <b>1,82,212</b>                                                       | <b>38,63,085</b>                                       | <b>11.88</b>                                                                                       | <b>1,35,112</b>                                              | <b>64,151</b>                                              |
| <b>Previous Year</b>                                    |                                                                       |                                                        |                                                                                                    |                                                              |                                                            |
| ATM/ Debit Card                                         | 64,100                                                                | 18,83,728                                              | 4.38                                                                                               | 65,097                                                       | 30,313                                                     |
| Internet Banking/ Mobile/<br>Electronic Banking         | 43,015                                                                | 13,43,568                                              | 135.42                                                                                             | 97,236                                                       | 67,738                                                     |
| Bank Charges levied                                     | 4,016                                                                 | 55,280                                                 | -11.53                                                                                             | 3,766                                                        | 3,410                                                      |
| Account Opening/difficulty in<br>Operation of accounts  | 3,459                                                                 | 24,529                                                 | -24.02                                                                                             | 8,339                                                        | 3,127                                                      |
| Cheque Book related                                     | 660                                                                   | 20,432                                                 | 67.98                                                                                              | 1,694                                                        | 1,056                                                      |
| Others                                                  | 31,030                                                                | 1,25,245                                               | -80.71                                                                                             | 6,080                                                        | 683                                                        |
| <b>Total</b>                                            | <b>1,46,280</b>                                                       | <b>34,52,782</b>                                       | <b>10.26</b>                                                                                       | <b>1,82,212</b>                                              | <b>1,06,327</b>                                            |

### c) Disclosure of “First Resort Complaints received, and action taken” in terms of Policy related Action Point in Annual Conference of the RBI Ombudsmen’s October 2022

Under clause 10 of the Reserve Bank Integrated Ombudsman Scheme-2021 (RB-IOS), the complaints not related to deficiency of service rejected by Banking Ombudsman as non-maintainable advising the complainants to approach the concerned Regulated Entity directly are called as First Resort Complaints.

During the financial year 2022-23, a total of 23,363 First Resort Complaints (FRCs) were received by RB-IOs.

To ensure reduction in First Resort Complaints (FRCs), the Bank has taken initiatives as under:

- The salient features of RB-IOS Scheme have been displayed at all the branches, ATMs and digitally displayed on ATMs, Bank’s website, Internet Banking & YONO.
- Nationwide Intensive Customer Awareness Campaign was conducted during November 2022.

### 18.12 Disclosure of penalties imposed by the Reserve Bank of India

- a) During the year ended 31<sup>st</sup> March 2023, no penalty has been levied on the Bank by the Reserve Bank of India (RBI) in exercise of the powers vested under the provisions of Section 47A(1)(c) read with Sections 46(4)(i) and 51(1) of the Banking Regulation Act, 1949.

- b) No penalty has been levied on the Bank for contravention under the provisions of Payment and Settlement Systems Act, 2007, Government Securities Act, 2006 (for bouncing SGL).
- c) There is no default in reverse repo transaction.

### 18.13 Other Disclosures:

#### a) Business Ratios

| Sr. No. | Particulars                                                 | Current Year | Previous Year |
|---------|-------------------------------------------------------------|--------------|---------------|
| i.      | Interest Income as a percentage to Working Funds            | 6.35%        | 6.27%         |
| ii.     | Non-interest income as a percentage to Working Funds        | 0.70%        | 0.92%         |
| iii.    | Cost of Deposits (Domestic)                                 | 3.99%        | 3.83%         |
| iv.     | Net Interest Margin                                         | 3.37%        | 3.12%         |
| v.      | Operating Profit as a percentage to Working Funds           | 1.60%        | 1.55%         |
| vi.     | Return on Assets (on net-asset basis)                       | 0.96%        | 0.67%         |
| vii.    | Business (Deposits plus advances) per employee (₹ in Crore) | 29.78        | 25.74         |
| viii.   | Profit per employee (₹ in Lakh)                             | 21.23        | 12.93         |

#### b) Bancassurance Business

Fees/brokerage earned in respect of the insurance broking, agency and bancassurance business.

(₹ in Crore)

| Name of the Company                 | Current Year    | Previous Year   |
|-------------------------------------|-----------------|-----------------|
| SBI Life Insurance Co. Ltd.         | 2,039.92        | 1,567.50        |
| SBI General Insurance Co. Ltd.      | 397.64          | 319.00          |
| NTUC and Manulife Financial Limited | 0.12            | 1.27            |
| Tokio Marine and ACE                | 0.45            | 0.61            |
| Unit Trust and LIC                  | 0.01            | 0.01            |
| AIA Singapore                       | 0.01            | 0.04            |
| IFAST                               | 0.11            | 0.43            |
| Aviva                               | 0.29            | 0.39            |
| <b>Total</b>                        | <b>2,438.55</b> | <b>1,889.25</b> |

#### c) Marketing and distribution

The details of fees/remuneration received in respect of the marketing and distribution function (excluding bancassurance business) are as follows:

(₹ in Crore)

| Name of the Company                     | Current Year    | Previous Year |
|-----------------------------------------|-----------------|---------------|
| SBI Mutual Fund                         | 877.69          | 741.84        |
| SBI Cards and Payment Services Limited  | 263.86          | 199.61        |
| National Pension System                 | 17.89           | 10.00         |
| SBICAP Securities Ltd.                  | 5.22            | 5.06          |
| Other Mutual Funds                      | 33.30           | 22.64         |
| Others (PMS, Bonds, Corporate FDs etc.) | 5.35            | 2.55          |
| <b>Total</b>                            | <b>1,203.31</b> | <b>981.70</b> |

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

### d) Priority Sector Lending Certificate (PSLC)

The Bank has purchased the following PSLCs during the year:-

(₹ in Crore)

| Category                        | Current Year       | Previous Year      |
|---------------------------------|--------------------|--------------------|
| PSLC Micro Enterprises          | 78,249.00          | 5,792.00           |
| PSLC Agriculture                | 25,240.00          | 10,192.00          |
| PSLC General                    | 7,439.00           | 58,361.75          |
| PSLC Small and Marginal Farmers | 91,072.00          | 63,654.25          |
| <b>Total</b>                    | <b>2,02,000.00</b> | <b>1,38,000.00</b> |

The Bank did not sell any PSLC during the year ended 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022.

### e) Provisions and Contingencies

Break up of "Provisions and Contingencies" shown under head Expenditure in Profit and loss account as follows:

(₹ in Crore)

| Provisions debited to Profit & Loss Account | Current Year     | Previous Year    |
|---------------------------------------------|------------------|------------------|
| Provision for Taxation                      |                  |                  |
| - Current Tax                               | 21,223.93        | 11,427.30        |
| - Deferred Tax Asset created                | (4,250.74)       | 318.57           |
| Provision for Depreciation on Investments   | 1,513.84         | 3,440.10         |
| Provision on Non-Performing Assets          | 9,190.34         | 14,142.96        |
| Provision on Restructured Assets            | (46.41)          | (56.11)          |
| Provision on Standard Assets                | 5,618.55         | 4,677.04         |
| Other Provisions                            | 231.01           | 2,248.14         |
| <b>Total</b>                                | <b>33,480.52</b> | <b>36,198.00</b> |

### f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

RBI vide Circular DBR.BP.BC.No.29/21.07.001/2018-19 dated 22<sup>nd</sup> March 2019 deferred implementation of Ind AS till further notice. However, RBI requires all banks to submit Proforma Ind AS financial statements every half-year. Accordingly, the Bank is preparing and submitting to RBI Proforma Ind AS financial statements every half-year after approval of Steering Committee headed by MD (R,C & SARG) formed for monitoring of implementation of Ind AS in the Bank.

### g) Payment of DICGC Insurance Premium

(₹ in Crore)

| Particulars                         | Current Year | Previous Year |
|-------------------------------------|--------------|---------------|
| Payment of DICGC Insurance Premium  | 4,407.22     | 4,006.14      |
| Arrears in payment of DICGC premium | -            | -             |

### h) Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of bank

Pursuant to the revision in family pension payable to employees of the Bank covered under 11<sup>th</sup> Bi-Partite settlement and Joint Note dated 11<sup>th</sup> November 2020, the Bank had provided for the entire additional liability of ₹7,418.39 Crore in the Profit and Loss Account for the year ended 31<sup>st</sup> March 2022 & was disclosed as an exceptional item.

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

## 18.14 Disclosure Requirements as per the Accounting Standards

### a) Accounting Standard 5: Net Profit or Loss for the period, Prior Period Items, and Changes in Accounting Policies

- During the year, there were no material prior period income/expenditure items.
- There is no change in the Significant Accounting Policies adopted during the Financial Year 2022-23 as compared to those followed in the previous Financial Year 2021-22.

### b) Accounting Standard - 15 "Employee Benefits"

#### i) Defined Benefit Plans

##### 1) Employee's Pension Plan and Gratuity Plan

The following table sets out the status of the Defined Benefit Pension Plan and Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the Bank:

(₹ in Crore)

| Particulars                                                                                | Pension Plan |               | Gratuity Plan |               |
|--------------------------------------------------------------------------------------------|--------------|---------------|---------------|---------------|
|                                                                                            | Current Year | Previous Year | Current Year  | Previous Year |
| <b>Change in the present value of the defined benefit obligation</b>                       |              |               |               |               |
| Opening defined benefit obligation                                                         | 1,46,124.99  | 1,25,806.37   | 12,714.22     | 13,447.17     |
| Current Service Cost                                                                       | 972.83       | 914.92        | 464.79        | 466.44        |
| Interest Cost                                                                              | 10,740.19    | 8,680.64      | 924.32        | 917.10        |
| Past Service Cost (Vested Benefit)                                                         | -            | 11,124.14     | -             | -             |
| Actuarial (Gains)/Losses                                                                   | 9,824.44     | 9,789.06      | 44.75         | 42.20         |
| Benefits paid                                                                              | (4,848.06)   | (4,926.71)    | (1,757.60)    | (2,158.69)    |
| Direct Payment by Bank                                                                     | (5,848.13)   | (5,263.43)    | -             | -             |
| Closing defined benefit obligation at 31 <sup>st</sup> March 2023                          | 1,56,966.26  | 1,46,124.99   | 12,390.48     | 12,714.22     |
| <b>Change in Plan Assets</b>                                                               |              |               |               |               |
| Opening fair value of Plan Assets as at 1 <sup>st</sup> April 2022                         | 1,30,590.73  | 1,06,445.86   | 10,925.06     | 10,950.23     |
| Expected Return on Plan Assets                                                             | 9,598.42     | 7,344.76      | 794.25        | 746.81        |
| Contributions by employer                                                                  | 2,171.59     | 22,163.77     | 1,440.65      | 1,463.56      |
| Expected Contributions by the employees                                                    | 0.10         | -             | -             | -             |
| Benefits Paid                                                                              | (4,848.06)   | (4,926.71)    | (1,757.60)    | (2,158.69)    |
| Actuarial Gains/(Loss) on plan Assets - Due to Experience                                  | (4,364.24)   | (436.95)      | (336.70)      | (76.85)       |
| Closing fair value of plan assets as at 31 <sup>st</sup> March 2023                        | 1,33,148.54  | 1,30,590.73   | 11,065.66     | 10,925.06     |
| <b>Reconciliation of present value of the obligation and fair value of the plan assets</b> |              |               |               |               |
| Present Value of Funded obligation at 31 <sup>st</sup> March 2023                          | 1,56,966.26  | 1,46,124.99   | 12,390.48     | 12,714.22     |
| Fair Value of Plan assets at 31 <sup>st</sup> March 2023                                   | 1,33,148.54  | 1,30,590.73   | 11,065.66     | 10,925.06     |
| Deficit/(Surplus)                                                                          | 23,817.72    | 15,534.26     | 1,324.82      | 1,789.16      |
| Unrecognised Past Service Cost (Vested) Closing Balance                                    | -            | -             | -             | -             |
| Unrecognised Transitional Liability Closing Balance                                        | -            | -             | -             | -             |
| Net Liability/(Asset)                                                                      | 23,817.72    | 15,534.26     | 1,324.82      | 1,789.16      |

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

(₹ in Crore)

| Particulars                                                                                             | Pension Plan |               | Gratuity Plan |               |
|---------------------------------------------------------------------------------------------------------|--------------|---------------|---------------|---------------|
|                                                                                                         | Current Year | Previous Year | Current Year  | Previous Year |
| <b>Amount Recognised in the Balance Sheet</b>                                                           |              |               |               |               |
| Liabilities                                                                                             | 1,56,966.26  | 1,46,124.99   | 12,390.48     | 12,714.22     |
| Assets                                                                                                  | 1,33,148.54  | 1,30,590.73   | 11,065.66     | 10,925.06     |
| Net Liability/(Asset) recognized in Balance Sheet                                                       | 23,817.72    | 15,534.26     | 1,324.82      | 1,789.16      |
| Unrecognised Past Service Cost (Vested) Closing Balance                                                 | -            | -             | -             | -             |
| Unrecognised Transitional Liability Closing Balance                                                     | -            | -             | -             | -             |
| Net Liability/(Asset)                                                                                   | 23,817.72    | 15,534.26     | 1,324.82      | 1,789.16      |
| <b>Net Cost recognized in the profit and loss account</b>                                               |              |               |               |               |
| Current Service Cost                                                                                    | 972.83       | 914.92        | 464.79        | 466.44        |
| Interest Cost                                                                                           | 10,740.19    | 8,680.64      | 924.32        | 917.10        |
| Expected return on plan assets                                                                          | (9,598.42)   | (7,344.76)    | (794.25)      | (746.81)      |
| Expected Contributions by the employees                                                                 | (0.10)       | -             | -             | -             |
| Past Service Cost (Amortised) Recognised                                                                | -            | -             | -             | -             |
| Past Service Cost (Vested Benefit) Recognised                                                           | -            | 11,124.14     | -             | -             |
| Net actuarial losses/(Gain) recognized during the year                                                  | 14,188.68    | 10,226.01     | 381.45        | 119.05        |
| Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees" | 16,303.18    | 23,600.95     | 976.31        | 755.78        |
| <b>Reconciliation of expected return and actual return on Plan Assets</b>                               |              |               |               |               |
| Expected Return on Plan Assets                                                                          | 9,598.42     | 7,344.76      | 794.25        | 746.81        |
| Actuarial Gain/(loss) on Plan Assets - Due to Experience                                                | (4,364.24)   | (436.95)      | (336.70)      | (76.85)       |
| Actual Return on Plan Assets                                                                            | 5,234.18     | 6,907.81      | 457.55        | 669.96        |
| <b>Reconciliation of opening and closing net liability/(asset) recognized in Balance Sheet</b>          |              |               |               |               |
| Opening Net Liability/(Asset) as at 1 <sup>st</sup> April 2022                                          | 15,534.26    | 19,360.51     | 1,789.16      | 2,496.94      |
| Expenses as recognized in Profit and Loss account                                                       | 16,303.18    | 23,600.95     | 976.31        | 755.78        |
| Paid by Bank Directly                                                                                   | (5,848.13)   | (5,263.43)    | -             | -             |
| Debited to Other Provision                                                                              | -            | -             | -             | -             |
| Recognised in Reserve                                                                                   | -            | -             | -             | -             |
| Employer's Contribution                                                                                 | (2,171.59)   | (22,163.77)   | (1,440.65)    | (1,463.56)    |
| Net liability/(Asset) recognized in Balance Sheet                                                       | 23,817.72    | 15,534.26     | 1,324.82      | 1,789.16      |

**Plan Assets of Pension Fund & Gratuity Fund as on 31<sup>st</sup> March 2023 are as follows:**

| Category of Assets                                         | Pension Fund<br>% of Plan Assets | Gratuity Fund<br>% of Plan Assets |
|------------------------------------------------------------|----------------------------------|-----------------------------------|
| Central Govt. Securities                                   | 19.11%                           | 19.06%                            |
| State Govt. Securities                                     | 35.14%                           | 35.24%                            |
| Debt Securities, Money Market Securities and Bank Deposits | 30.85%                           | 29.35%                            |
| ETF and Mutual Funds                                       | 11.61%                           | 10.99%                            |
| Insurer Managed Funds                                      | 1.17%                            | 3.30%                             |
| Others                                                     | 2.12%                            | 2.06%                             |
| <b>Total</b>                                               | <b>100.00%</b>                   | <b>100.00%</b>                    |

**Principal actuarial assumptions**

| Particulars                           | Pension Plans           |                         |
|---------------------------------------|-------------------------|-------------------------|
|                                       | Current Year            | Previous Year           |
| Discount Rate                         | 7.53%                   | 7.35%                   |
| Expected Rate of return on Plan Asset | 7.53%                   | 7.35%                   |
| Salary Escalation Rate                | 6.00%                   | 5.80%                   |
| Pension Escalation Rate               | 2.00%                   | 1.60%                   |
| Attrition Rate                        | 2.00%                   | 2.00%                   |
| Mortality Table During Employment     | IALM 2012-14 (Urban)    | IALM 2012-14 (Urban)    |
| Mortality Table After Employment      | IALM (2006-08) Ultimate | IALM (2006-08) Ultimate |

**Principal actuarial assumptions**

| Particulars                           | Gratuity Plans       |                      |
|---------------------------------------|----------------------|----------------------|
|                                       | Current Year         | Previous Year        |
| Discount Rate                         | 7.48%                | 7.27%                |
| Expected Rate of return on Plan Asset | 7.48%                | 7.27%                |
| Salary Escalation Rate                | 6.00%                | 5.80%                |
| Attrition Rate                        | 2.00%                | 2.00%                |
| Mortality Table                       | IALM 2012-14 (Urban) | IALM 2012-14 (Urban) |

**Surplus/Deficit in the Plan**

**Gratuity Plan**

(₹ in Crore)

| Amount recognized in the<br>Balance Sheet           | Year ended<br>31.03.2019 | Year ended<br>31.03.2020 | Year ended<br>31.03.2021 | Year ended<br>31.03.2022 | Year ended<br>31.03.2023 |
|-----------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Liability at the end of the year                    | 12,189.05                | 12,852.56                | 13,447.17                | 12,714.22                | 12,390.48                |
| Fair value of Plan Assets at the<br>end of the year | 10,326.00                | 10,570.95                | 10,950.23                | 10,925.06                | 11,065.66                |
| Difference                                          | 1,863.05                 | 2,281.61                 | 2,496.94                 | 1,789.16                 | 1,324.82                 |
| Unrecognised Past Service Cost                      | -                        | -                        | -                        | -                        | -                        |
| Unrecognised Transition Liability                   | -                        | -                        | -                        | -                        | -                        |
| Amount Recognised in the<br>Balance Sheet           | 1,863.05                 | 2,281.61                 | 2,496.94                 | 1,789.16                 | 1,324.82                 |

# SCHEDULES

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

## Experience adjustment

(₹ in Crore)

| Amount recognized in the Balance Sheet | Year ended 31.03.2019 | Year ended 31.03.2020 | Year ended 31.03.2021 | Year ended 31.03.2022 | Year ended 31.03.2023 |
|----------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| On Plan Liability (Gain)/Loss          | (212.11)              | 382.17                | 1,053.04              | 366.15                | 138.91                |
| On Plan Asset (Loss)/Gain              | 102.16                | 249.84                | 331.37                | (76.85)               | (336.70)              |

## Surplus/Deficit in the plan

### Pension

(₹ in Crore)

| Amount recognized in the Balance Sheet           | Year ended 31.03.2019 | Year ended 31.03.2020 | Year ended 31.03.2021 | Year ended 31.03.2022 | Year ended 31.03.2023 |
|--------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Liability at the end of the year                 | 95,362.15             | 1,09,830.37           | 1,25,806.37           | 1,46,124.99           | 1,56,966.26           |
| Fair value of Plan Assets at the end of the year | 90,399.61             | 97,458.52             | 1,06,445.86           | 1,30,590.73           | 1,33,148.54           |
| Difference                                       | 4,962.54              | 12,371.85             | 19,360.51             | 15,534.26             | 23,817.72             |
| Unrecognized Past Service Cost                   | -                     | -                     | -                     | -                     | -                     |
| Unrecognized Transition Liability                | -                     | -                     | -                     | -                     | -                     |
| Amount Recognised in the Balance Sheet           | 4,962.54              | 12,371.85             | 19,360.51             | 15,534.26             | 23,817.72             |

## Experience adjustment

(₹ in Crore)

| Amount recognized in the Balance Sheet | Year ended 31.03.2019 | Year ended 31.03.2020 | Year ended 31.03.2021 | Year ended 31.03.2022 | Year ended 31.03.2023 |
|----------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| On Plan Liability (Gain)/Loss          | 3,642.57              | 4,078.53              | 12,528.38             | 4,162.26              | 8,997.32              |
| On Plan Asset (Loss)/Gain              | 109.65                | 1,550.28              | 3,705.91              | (436.95)              | (4,364.24)            |

The expected contribution to the Pension and Gratuity Fund for the next year is ₹2,200.00 Crore and ₹1,796.23 Crore respectively.

As the plan assets are marked to market on the basis of the yield curve derived from government securities, the expected rate of return has been kept the same as the discount rate.

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long-term and are not based on limited past experience/immediate future. Empirical evidence also suggests that in very long-term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

With a view to further strengthen the Pension Fund, it was decided to upwardly revise some of the assumptions.

## 2) Employees' Provident Fund

Actuarial valuation carried out in respect of interest shortfall in the Provident Fund Trust of the Bank, as per Deterministic Approach shows "Nil" liability, hence no provision is made in FY2022-23.



The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuary appointed by the Bank: -

(₹ in Crore)

| Particulars                                                                                             | Provident Fund |               |
|---------------------------------------------------------------------------------------------------------|----------------|---------------|
|                                                                                                         | Current Year   | Previous Year |
| <b>Change in the present value of the defined benefit obligation</b>                                    |                |               |
| Opening defined benefit obligation at 1 <sup>st</sup> April 2022                                        | 36,730.00      | 35,289.14     |
| Current Service Cost                                                                                    | 1,480.33       | 1,493.06      |
| Interest Cost                                                                                           | 2,762.87       | 2,917.84      |
| Employee Contribution (including VPF)                                                                   | 1,952.97       | 1,958.76      |
| Actuarial losses/(gains)                                                                                | -              | 150.44        |
| Benefits paid                                                                                           | (4,689.37)     | (5,079.24)    |
| Closing defined benefit obligation at 31 <sup>st</sup> March 2023                                       | 38,236.80      | 36,730.00     |
| <b>Change in Plan Assets</b>                                                                            |                |               |
| Opening fair value of Plan Assets as at 1 <sup>st</sup> April 2022                                      | 37,632.85      | 36,365.80     |
| Expected Return on Plan Assets                                                                          | 2,762.87       | 2,917.84      |
| Contributions                                                                                           | 3,433.30       | 3,451.82      |
| Provision for loss on maturity of non-performing investment                                             | -              | -             |
| Benefits Paid                                                                                           | (4,689.37)     | (5,079.24)    |
| Actuarial Gains/(Loss) on plan Assets                                                                   | 70.40          | (23.37)       |
| Closing fair value of plan assets as at 31 <sup>st</sup> March 2023                                     | 39,210.05      | 37,632.85     |
| <b>Reconciliation of present value of the obligation and fair value of the plan assets</b>              |                |               |
| Present Value of Funded obligation at 31 <sup>st</sup> March 2023                                       | 38,236.80      | 36,730.00     |
| Fair Value of Plan assets at 31 <sup>st</sup> March 2023                                                | 39,210.05      | 37,632.85     |
| Deficit/(Surplus)                                                                                       | (973.25)       | (902.85)      |
| Net Asset not recognized in the Balance Sheet                                                           | 973.25         | 902.85        |
| <b>Net Cost recognized in the profit and loss account</b>                                               |                |               |
| Current Service Cost                                                                                    | 1,480.33       | 1,493.06      |
| Interest Cost                                                                                           | 2,762.87       | 2,917.84      |
| Expected return on plan assets                                                                          | (2,762.87)     | (2,917.84)    |
| Interest shortfall reversed                                                                             | -              | -             |
| Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees" | 1,480.33       | 1,493.06      |
| <b>Reconciliation of opening and closing net liability/(asset) recognized in the Balance Sheet</b>      |                |               |
| Opening Net Liability as at 1 <sup>st</sup> April 2022                                                  | -              | -             |
| Expense as above                                                                                        | 1,480.33       | 1,493.06      |
| Employer's Contribution                                                                                 | (1,480.33)     | (1,493.06)    |
| Net Liability/(Asset) Recognised in the Balance Sheet                                                   | -              | -             |

**Plan Assets of Provident Fund as on 31<sup>st</sup> March 2023 are as follows:**

| Category of Assets                                         | Provident Fund<br>% of Plan Assets |
|------------------------------------------------------------|------------------------------------|
| Central Govt. Securities                                   | 28.36%                             |
| State Govt. Securities                                     | 31.82%                             |
| Debt Securities, Money Market Securities and Bank Deposits | 30.12%                             |
| Mutual Funds                                               | 6.99%                              |
| Others                                                     | 2.71%                              |
| <b>Total</b>                                               | <b>100.00%</b>                     |

# SCHEDULES

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

## Principal actuarial assumptions

| Particulars            | Provident Fund       |                      |
|------------------------|----------------------|----------------------|
|                        | Current Year         | Previous Year        |
| Discount Rate          | 7.48%                | 7.27%                |
| Guaranteed Return      | 8.10%                | 8.50%                |
| Attrition Rate         | 2.00%                | 2.00%                |
| Salary Escalation Rate | 6.00%                | 5.80%                |
| Mortality Table        | IALM 2012-14 (Urban) | IALM 2012-14 (Urban) |

There is a guaranteed return applicable to liability under SBI Employees Provident Fund which shall not be lower of either:

- one half percent above the average standard rate (adjusted up or down to the interest one quarter per cent) quoted by the bank for new deposits fixed for twelve months in the preceding year (ending on the preceding 31<sup>st</sup> day of March); or
- three percent per annum, subject to approval of Executive Committee.

## ii) Defined Contribution Plan:

The Bank has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after 1<sup>st</sup> August 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During FY 2022-23, the Bank has contributed ₹1,296.27 Crore (Previous Year ₹1,177.54 Crore).

## iii) Long-Term Employee Benefits (Unfunded Obligation):

### A) Accumulating Compensated Absences (Privilege Leave)

The following table sets out the status of Accumulating Compensated Absences (Privilege Leave) as per the actuarial valuation by the independent Actuary appointed by the Bank: -

(₹ in Crore)

| Particulars                                                                                                | Accumulating Compensated Absences<br>(Privilege Leave) |               |
|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------|
|                                                                                                            | Current Year                                           | Previous Year |
| <b>Change in the present value of the defined benefit obligation</b>                                       |                                                        |               |
| Opening defined benefit obligation at 1 <sup>st</sup> April 2022                                           | 10,372.37                                              | 8,182.24      |
| Current Service Cost                                                                                       | 328.35                                                 | 456.87        |
| Interest Cost                                                                                              | 754.07                                                 | 558.03        |
| Actuarial losses/(gains)                                                                                   | 743.71                                                 | 2,567.32      |
| Benefits paid                                                                                              | (1,130.17)                                             | (1,392.09)    |
| Closing defined benefit obligation at 31 <sup>st</sup> March 2023                                          | 11,068.33                                              | 10,372.37     |
| <b>Net Cost recognized in the profit and loss account</b>                                                  |                                                        |               |
| Current Service Cost                                                                                       | 328.35                                                 | 456.87        |
| Interest Cost                                                                                              | 754.07                                                 | 558.03        |
| Actuarial (Gain)/Losses                                                                                    | 743.71                                                 | 2,567.32      |
| Total costs of defined benefit plans included in Schedule 16<br>"Payments to and provisions for employees" | 1,826.13                                               | 3,582.22      |

(₹ in Crore)

| Particulars                                                                                        | Accumulating Compensated Absences<br>(Privilege Leave) |               |
|----------------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------|
|                                                                                                    | Current Year                                           | Previous Year |
| <b>Reconciliation of opening and closing net liability/(asset) recognized in the Balance Sheet</b> |                                                        |               |
| Opening Net Liability as at 1 <sup>st</sup> April 2022                                             | 10,372.37                                              | 8,182.24      |
| Expense as above                                                                                   | 1,826.13                                               | 3,582.22      |
| Employer's Contribution                                                                            | -                                                      | -             |
| Benefit paid directly by the Employer                                                              | (1,130.17)                                             | (1,392.09)    |
| Net Liability/(Asset) Recognised in the Balance Sheet                                              | 11,068.33                                              | 10,372.37     |

**Principal actuarial assumptions**

| Particulars            | Current Year         | Previous Year        |
|------------------------|----------------------|----------------------|
| Discount Rate          | 7.48%                | 7.27%                |
| Salary Escalation Rate | 6.00%                | 5.80%                |
| Attrition Rate         | 2.00%                | 2.00%                |
| Mortality Table        | IALM 2012-14 (Urban) | IALM 2012-14 (Urban) |

**B) Other Long-Term Employee Benefits**

Amount of ₹ 20.57 Crore (Previous Year ₹ 115.51 Crore) is provided as per the actuarial valuation by the independent Actuary appointed by the Bank towards Other Long-Term Employee Benefits viz. Leave Travel and Home Travel Concession (Encashment/Availment), Silver Jubilee Award, Resettlement Expenses on Superannuation and Retirement Award and is included under the head "Payments to and Provisions for Employees" in Profit and Loss Account.

**Principal actuarial assumptions**

| Particulars            | Current Year         | Previous Year        |
|------------------------|----------------------|----------------------|
| Discount Rate          | 7.48%                | 7.27%                |
| Salary Escalation Rate | 6.00%                | 5.80%                |
| Attrition Rate         | 2.00%                | 2.00%                |
| Mortality Table        | IALM 2012-14 (Urban) | IALM 2012-14 (Urban) |

**c) Accounting Standard - 17 "Segment Reporting"****1. Segment Identification****I. Primary (Business Segment)**

The following are the primary segments of the Bank:-

- Treasury
- Corporate/Wholesale Banking
- Retail Banking
- Other Banking Business.

The present accounting and information system of the Bank does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the primary segments have been computed as under:

# SCHEDULES

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

**i) Treasury**

The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.

**ii) Corporate/Wholesale Banking**

The Corporate/Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices.

**iii) Retail Banking**

The Retail Banking Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs.

**iv) Other Banking business**

Segments not classified under (i) to (iii) above are classified under this primary segment.

**II. Secondary (Geographical Segment)**

- i) Domestic Operations - Branches/Offices having operations in India
- ii) Foreign Operations - Branches/Offices having operations outside India and offshore Banking units having operations in India

**III. Pricing of Inter-segmental Transfers**

The Retail Banking segment is the primary resource mobilising unit. The Corporate/Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

**IV. Allocation of Expenses, Assets and Liabilities**

Expenses incurred at Corporate Centre establishments directly attributable either to Corporate/Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

The Bank has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

## 2. Segment Information

### Part A: Primary (Business Segments)

(₹ in Crore)

| Business Segment                              | Treasury                       | Corporate/<br>Wholesale<br>Banking | Retail Banking     |                         |                                | Other<br>Banking<br>Operations | Total                          |
|-----------------------------------------------|--------------------------------|------------------------------------|--------------------|-------------------------|--------------------------------|--------------------------------|--------------------------------|
|                                               |                                |                                    | Digital<br>Banking | Other retail<br>Banking | Total                          |                                |                                |
| Revenue (before exceptional items) #          | 1,01,933.92<br>(1,00,000.05)   | 98,038.91<br>(74,379.36)           | 3,697.02           | 1,63,216.12             | 1,66,913.14<br>(1,38,504.95)   | -<br>(-)                       | 3,66,885.97<br>(3,12,884.36)   |
| Unallocated Revenue #                         |                                |                                    |                    |                         |                                |                                | 1,832.69<br>(3,136.84)         |
| Total Revenue #                               |                                |                                    |                    |                         |                                |                                | 3,68,718.66<br>(3,16,021.20)   |
| Result (before exceptional items) #           | 9,470.88<br>(13,654.90)        | 29,049.75<br>(26,959.15)           | 4,731.53           | 28,507.95               | 33,239.48<br>(12,541.38)       | -<br>(-)                       | 71,760.11<br>(53,155.43)       |
| Add: Exceptional Items #                      |                                |                                    |                    |                         |                                |                                | -<br>(-7,418.39)               |
| Result (after exceptional items) #            |                                |                                    |                    |                         |                                |                                | 71,760.10<br>(45,737.04)       |
| Unallocated Income(+)/<br>Expenses(-) - net # |                                |                                    |                    |                         |                                |                                | -4,554.47<br>(-2,315.19)       |
| Profit before tax #                           |                                |                                    |                    |                         |                                |                                | 67,205.64<br>(43,421.85)       |
| Tax #                                         |                                |                                    |                    |                         |                                |                                | 16,973.19<br>(11,745.87)       |
| Extraordinary Profit #                        |                                |                                    |                    |                         |                                |                                | Nil<br>Nil                     |
| Net Profit #                                  |                                |                                    |                    |                         |                                |                                | 50,232.45<br>(31,675.98)       |
| <b>Other Information:</b>                     |                                |                                    |                    |                         |                                |                                |                                |
| Segment Assets *                              | 16,65,482.35<br>(16,13,186.75) | 14,92,904.65<br>(13,02,237.02)     | 52,647.74          | 22,57,802.67            | 23,10,450.41<br>(20,21,244.45) | -<br>(-)                       | 54,68,837.41<br>(49,36,668.22) |
| Unallocated Assets *                          |                                |                                    |                    |                         |                                |                                | 48,141.12<br>(50,929.19)       |
| Total Assets *                                |                                |                                    |                    |                         |                                |                                | 55,16,978.53<br>(49,87,597.41) |
| Segment Liabilities *                         | 15,24,002.00<br>(14,68,058.66) | 14,57,595.81<br>(12,74,940.11)     | 4,90,464.77        | 15,62,424.59            | 20,52,889.36<br>(18,48,288.43) | -<br>(-)                       | 50,34,487.17<br>(45,91,287.20) |
| Unallocated Liabilities *                     |                                |                                    |                    |                         |                                |                                | 1,54,882.91<br>(1,16,222.15)   |
| Total Liabilities *                           |                                |                                    |                    |                         |                                |                                | 51,89,370.08<br>(47,07,509.35) |

(Figures in brackets are for previous year).

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

## Part B: Secondary (Geographic Segments)

(₹ in Crore)

| Geographic Segments                  | Domestic     |               | Foreign      |               | Total        |               |
|--------------------------------------|--------------|---------------|--------------|---------------|--------------|---------------|
|                                      | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Revenue (before exceptional items) # | 3,47,982.70  | 3,06,741.79   | 20,735.96    | 9,279.41      | 3,68,718.66  | 3,16,021.20   |
| Net Profit #                         | 43,966.38    | 27,905.87     | 6,266.07     | 3,770.11      | 50,232.45    | 31,675.98     |
| Assets *                             | 49,09,460.77 | 44,56,341.96  | 6,07,517.76  | 5,31,255.45   | 55,16,978.53 | 49,87,597.41  |
| Liabilities*                         | 45,81,852.33 | 41,76,253.90  | 6,07,517.76  | 5,31,255.45   | 51,89,370.09 | 47,07,509.35  |

# For the year ended 31<sup>st</sup> March 2023.

\* As at 31<sup>st</sup> March 2023.

As per RBI Circular DOR. AUT.REC.12/22.01.001/2022-23 dated 7<sup>th</sup> April 2022, for the purpose of disclosure under Accounting Standard 17 Segment Reporting "Digital Banking" has been identified as a sub-segment under the "Retail Banking Segment".

## d) Accounting Standard - 18 "Related Party Disclosures"

### 1. Related Parties

#### A. SUBSIDIARIES

##### i. FOREIGN BANKING SUBSIDIARIES

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

##### ii. DOMESTIC NON-BANKING SUBSIDIARIES

1. SBI Life Insurance Company Ltd.
2. SBI General Insurance Company Ltd.
3. SBI Cards & Payment Services Ltd.
4. SBI Funds Management Ltd.
5. SBI Mutual Fund Trustee Co. Pvt. Ltd.
6. SBI Capital Markets Ltd.
7. SBICAP Trustee Co. Ltd.
8. SBICAP Ventures Ltd.
9. SBICAP Securities Ltd.
10. SBI Global Factors Ltd.
11. SBI - SG Global Securities Services Pvt. Ltd.
12. SBI DFHI Ltd.

13. SBI Pension Funds Pvt. Ltd.
14. SBI Payment Services Pvt. Ltd.
15. SBI Infra Management Solutions Pvt. Ltd. (under liquidation)
16. SBI Foundation
17. State Bank Operations Support Services Pvt. Ltd. (Date of incorporation 26<sup>th</sup> July 2022)

**iii. FOREIGN NON-BANKING SUBSIDIARIES**

1. SBI Funds Management (International) Pvt. Ltd.
2. State Bank of India Servicios Limitada
3. Nepal SBI Merchant Banking Ltd.
4. SBICAP (Singapore) Ltd. (upto 30<sup>th</sup> November 2022)

**B. JOINTLY CONTROLLED ENTITIES**

1. C-Edge Technologies Ltd.
2. Jio Payments Bank Ltd. (upto 22<sup>nd</sup> January 2023)
3. SBI Macquarie Infrastructure Management Pvt. Ltd.
4. SBI Macquarie Infrastructure Trustee Pvt. Ltd.
5. Macquarie SBI Infrastructure Management Pte. Ltd.
6. Macquarie SBI Infrastructure Trustee Ltd.
7. Oman India Joint Investment Fund - Management Company Pvt. Ltd.
8. Oman India Joint Investment Fund - Trustee Company Pvt. Ltd.

**C. ASSOCIATES**

**i. Regional Rural Banks**

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

# SCHEDULES

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

## ii. Others

1. The Clearing Corporation of India Ltd.
2. Bank of Bhutan Ltd.
3. Yes Bank Ltd.
4. Investec Capital Services (India) Pvt. Ltd.
5. Jio Payments Bank Ltd. (w.e.f. 23<sup>rd</sup> January 2023)
6. SBI Home Finance Ltd. (under liquidation)

## D. Key Management Personnel of the Bank

1. Shri Dinesh Kumar Khara, Chairman
2. Shri Challa Sreenivasulu Setty, Managing Director (International Banking, Global Markets & Technology)
3. Shri Ashwani Bhatia, Managing Director (Corporate Banking & Global Markets) (up to 31<sup>st</sup> May 2022)
4. Shri Swaminathan Janakiraman, Managing Director (Corporate Banking & Subsidiaries)
5. Shri Ashwini Kumar Tewari, Managing Director (Risk, Compliance & SARG)
6. Shri Alok Kumar Choudhary, Managing Director (Retail Business & Operations) (w.e.f. 07<sup>th</sup> June 2022)

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

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

## 3. Transactions and Balances

| (₹ in Crore)                                          |                                   |                                                     |          |                                   |                                                     |           |
|-------------------------------------------------------|-----------------------------------|-----------------------------------------------------|----------|-----------------------------------|-----------------------------------------------------|-----------|
| Particulars                                           | Associates/<br>Joint<br>Ventures  | Key<br>Management<br>Personnel &<br>their relatives | Total    | Associates/<br>Joint<br>Ventures  | Key<br>Management<br>Personnel &<br>their relatives | Total     |
| <b>Outstanding as at</b>                              | <b>31<sup>st</sup> March 2023</b> |                                                     |          | <b>31<sup>st</sup> March 2022</b> |                                                     |           |
| Borrowings                                            | -                                 | -                                                   | -        | -                                 | -                                                   | -         |
| Deposit                                               | 4,942.43                          | -                                                   | 4,942.43 | 833.02                            | -                                                   | 833.02    |
| Other Liabilities                                     | 66.09                             | -                                                   | 66.09    | 10.23                             | -                                                   | 10.23     |
| Balance with Banks and Money at call and short notice | 0.17                              | -                                                   | 0.17     | 0.12                              | -                                                   | 0.12      |
| Advance                                               | 1,007.14                          | -                                                   | 1,007.14 | 856.50                            | -                                                   | 856.50    |
| Investment                                            | 7,925.54                          | -                                                   | 7,925.54 | 10,614.81                         | -                                                   | 10,614.81 |
| Other Assets                                          | 196.03                            | -                                                   | 196.03   | 224.63                            | -                                                   | 224.63    |
| Non-fund commitments (LCs/BGs)                        | 22.53                             | -                                                   | 22.53    | -                                 | -                                                   | -         |



(₹ in Crore)

| Particulars                                             | Associates/<br>Joint<br>Ventures | Key<br>Management<br>Personnel &<br>their relatives | Total     | Associates/<br>Joint<br>Ventures | Key<br>Management<br>Personnel &<br>their relatives | Total     |
|---------------------------------------------------------|----------------------------------|-----------------------------------------------------|-----------|----------------------------------|-----------------------------------------------------|-----------|
| <b>Maximum outstanding</b>                              | <b>During FY2022-23</b>          |                                                     |           | <b>During FY2021-22</b>          |                                                     |           |
| Borrowings                                              | -                                | -                                                   | -         | -                                | -                                                   | -         |
| Deposit                                                 | 5,269.99                         | -                                                   | 5,269.99  | 1,351.05                         | -                                                   | 1,351.05  |
| Other Liabilities                                       | 66.12                            | -                                                   | 66.12     | 13.78                            | -                                                   | 13.78     |
| Balance with Banks and Money at call and short notice   | 2.56                             | -                                                   | 2.56      | 636.41                           | -                                                   | 636.41    |
| Advance                                                 | 1,152.51                         | -                                                   | 1,152.51  | 2,218.48                         | -                                                   | 2,218.48  |
| Investment                                              | 10,756.28                        | -                                                   | 10,756.28 | 12,520.51                        | -                                                   | 12,520.51 |
| Other Assets                                            | 444.64                           | -                                                   | 444.64    | 372.58                           | -                                                   | 372.58    |
| Non-fund commitments (LCs/BGs)                          | 22.53                            | -                                                   | 22.53     | 2,935.10                         | -                                                   | 2,935.10  |
| <b>During the year</b>                                  | <b>During FY2022-23</b>          |                                                     |           | <b>During FY2021-22</b>          |                                                     |           |
| Interest Income                                         | 111.19                           | -                                                   | 111.19    | 207.19                           | -                                                   | 207.19    |
| Interest expenditure                                    | 80.69                            | -                                                   | 80.69     | 31.48                            | -                                                   | 31.48     |
| Income earned by way of dividend                        | 20.81                            | -                                                   | 20.81     | 21.23                            | -                                                   | 21.23     |
| Other Income                                            | 3.16                             | -                                                   | 3.16      | 1.50                             | -                                                   | 1.50      |
| Other expenditure                                       | 13.17                            | -                                                   | 13.17     | 7.14                             | -                                                   | 7.14      |
| Profit/(loss) on sale of land/building and other assets | -0.12                            | -                                                   | -0.12     | -                                | -                                                   | -         |
| Management contracts                                    | -                                | 2.21                                                | 2.21      | -                                | 1.63                                                | 1.63      |

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

**e) Accounting Standard - 19 "Leases"**

**Premises taken on operating lease are given below:**

Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the Bank.

i) Liability for Premises taken on Non-Cancellable operating lease are given below:

(₹ in Crore)

| Particulars                                  | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
|----------------------------------------------|--------------------------------------|--------------------------------------|
| Not later than 1 year                        | 37.34                                | 88.70                                |
| Later than 1 year and not later than 5 years | 31.97                                | 55.02                                |
| Later than 5 years                           | 5.99                                 | 5.32                                 |
| <b>Total</b>                                 | <b>75.30</b>                         | <b>149.04</b>                        |

ii) Amount of lease payments recognized in the P&L Account for operating leases is ₹4,104.59 Crore (Previous Year ₹3,892.94 Crore).

## SCHEDULES

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

### f) Accounting Standard - 20 "Earnings per Share"

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - "Earnings per Share". "Basic earnings" per share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year.

| Particulars                                                                         | Current Year  | Previous Year |
|-------------------------------------------------------------------------------------|---------------|---------------|
| <b>Basic and diluted</b>                                                            |               |               |
| Number of Equity Shares outstanding at the beginning of the year                    | 892,46,11,534 | 892,46,11,534 |
| Number of Equity Shares issued during the year                                      | 400           | Nil           |
| Number of Equity Shares outstanding at the end of the year                          | 892,46,11,934 | 892,46,11,534 |
| Weighted average number of equity shares used in computing basic earnings per share | 892,46,11,707 | 892,46,11,534 |
| Weighted average number of shares used in computing diluted earnings per share      | 892,46,11,707 | 892,46,11,534 |
| Net profit/(loss) (₹ in Crore)                                                      | 50,232.45     | 31,675.98     |
| Basic earnings per share (₹)                                                        | 56.29         | 35.49         |
| Diluted earnings per share (₹)                                                      | 56.29         | 35.49         |
| Nominal value per share (₹)                                                         | 1.00          | 1.00          |

### g) Accounting Standard - 22 "Accounting for Taxes on Income"

#### a) Current Tax:-

During the year the Bank has debited to Profit & Loss Account ₹21,223.93 Crore (Previous Year ₹11,427.30 Crore) on account of current tax. The Current Tax in India has been calculated in accordance with the provisions of Income Tax Act, 1961 after taking appropriate relief for taxes paid in foreign jurisdictions.

#### b) Deferred Tax:-

During the year ₹4,250.74 Crore has been credited to Profit and Loss Account (Previous Year debit ₹318.57 Crore) on account of deferred tax.

The Bank has a net DTA of ₹10,534.21 Crore (Previous Year net DTA of ₹6,244.72 Crore), which comprises of DTL of ₹0.01 Crore (Previous Year ₹2.56 Crore) included under 'Other Liabilities and Provisions' and Deferred

Tax Assets (DTA) of ₹10,534.22 Crore (Previous Year ₹6,247.28 Crore) included under 'Other Assets'. The major components of DTA and DTL is given below:

| (₹ in Crore)                                                    |                                      |                                      |
|-----------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                     | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
| <b>Deferred Tax Assets (DTA)</b>                                |                                      |                                      |
| Provision for long-term employee Benefits                       | 9,105.22                             | 6,568.86                             |
| Provision for advances                                          | 6,244.09                             | 4,863.64                             |
| Provision for Other Assets/Other Liability                      | 3,736.75                             | 3,650.06                             |
| On Foreign Currency Translation Reserve                         | 1,686.01                             | 982.69                               |
| Depreciation on Fixed Assets                                    | 352.03                               | 269.66                               |
| On account of Foreign Offices                                   | 476.14                               | 409.56                               |
| <b>Total</b>                                                    | <b>21,600.24</b>                     | <b>16,744.47</b>                     |
| <b>Deferred Tax Liabilities (DTL)</b>                           |                                      |                                      |
| Interest accrued but not due on Securities                      | 6,598.88                             | 6,546.58                             |
| Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 | 4,467.14                             | 3,950.61                             |
| On account of Foreign Offices                                   | 0.01                                 | 2.56                                 |
| <b>Total</b>                                                    | <b>11,066.03</b>                     | <b>10,499.75</b>                     |
| <b>Net Deferred Tax Assets/(Liabilities)</b>                    | <b>10,534.21</b>                     | <b>6,244.72</b>                      |

The Bank had exercised the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 from the financial year 2019-20 onwards.

#### h) Accounting Standard - 27 "Financial Reporting of interests in Joint Ventures"

Investments include ₹28.06 Crore (Previous Year ₹107.14 Crore) representing Bank's interest in the following jointly controlled entities.

| Sr. No       | Name of the Company                                             | Amount<br>(₹ in Crore)          | Country of<br>Residence | Holding %    |
|--------------|-----------------------------------------------------------------|---------------------------------|-------------------------|--------------|
| 1.           | C - Edge Technologies Ltd.                                      | 4.90<br>(4.90)                  | India                   | 49%<br>(49%) |
| 2.           | SBI Macquarie Infrastructure Management Pvt. Ltd.               | 18.57<br>(18.57)                | India                   | 45%<br>(45%) |
| 3.           | SBI Macquarie Infrastructure Trustee Pvt. Ltd.                  | 0.03<br>(0.03)                  | India                   | 45%<br>(45%) |
| 4.           | Maquarie SBI Infrastructure Management Pte. Ltd.                | 2.25<br>(2.25)                  | Singapore               | 45%<br>(45%) |
| 5.           | Macquarie SBI Infrastructure Trustee Ltd. #                     | -<br>(-)                        | Bermuda                 | 45%<br>(45%) |
| 6.           | Oman India Joint Investment Fund – Management Company Pvt. Ltd. | 2.30<br>(2.30)                  | India                   | 50%<br>(50%) |
| 7.           | Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.    | 0.01<br>(0.01)                  | India                   | 50%<br>(50%) |
| 8.           | Jio Payments Bank <sup>ss</sup>                                 | -<br>(79.08)                    | India                   | -<br>(30%)   |
| <b>Total</b> |                                                                 | <b>28.06</b><br><b>(107.14)</b> |                         |              |

# Indirect holding through Maquarie SBI Infra Management Pte. Ltd., against which the Company has made 100% provision on investments.

<sup>ss</sup> During the year ended 31st March 2023, Bank's stake in Jio Payments Bank Ltd., a joint venture, has reduced from 30.00% to 23.02% as Bank did not participate in the right issue of equity shares offered by the company. The entity is accounted as Associate of the Bank.

(Figures in brackets relate to previous year)

## SCHEDULES

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

As required by AS 27, the aggregate amount of the assets, liabilities, income, expenses, contingent liabilities and commitments related to the Bank's interests in jointly controlled entities are disclosed as under:

(₹ in Crore)

| Particulars                                            | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2022 |
|--------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Liabilities</b>                                     |                                      |                                      |
| Capital & Reserves                                     | 220.31                               | 236.69                               |
| Deposits                                               | -                                    | 5.69                                 |
| Borrowings                                             | -                                    | 7.48                                 |
| Other Liabilities & Provisions                         | 41.58                                | 48.20                                |
| <b>Total</b>                                           | <b>261.89</b>                        | <b>298.06</b>                        |
| <b>Assets</b>                                          |                                      |                                      |
| Cash and Balances with RBI                             | -                                    | 1.82                                 |
| Balances with Banks and money at call and short notice | 147.43                               | 143.16                               |
| Investments                                            | 22.71                                | 71.77                                |
| Advances                                               | -                                    | -                                    |
| Fixed Assets                                           | 20.40                                | 14.97                                |
| Other Assets                                           | 71.35                                | 66.34                                |
| <b>Total</b>                                           | <b>261.89</b>                        | <b>298.06</b>                        |
| Capital Commitments                                    | -                                    | -                                    |
| Other Contingent Liabilities                           | 1.49                                 | 1.91                                 |
| <b>Income</b>                                          |                                      |                                      |
| Interest earned                                        | 8.27                                 | 7.41                                 |
| Other income                                           | 188.40                               | 171.75                               |
| <b>Total</b>                                           | <b>196.67</b>                        | <b>179.16</b>                        |
| <b>Expenditure</b>                                     |                                      |                                      |
| Interest expended                                      | 0.18                                 | 0.11                                 |
| Operating expenses                                     | 152.52                               | 148.60                               |
| Provisions & contingencies                             | 15.18                                | 12.62                                |
| <b>Total</b>                                           | <b>167.88</b>                        | <b>161.33</b>                        |
| <b>Profit</b>                                          | <b>28.79</b>                         | <b>17.83</b>                         |

### i) Accounting Standards - 28 "Impairment of Assets"

In the opinion of the Bank's Management, there is no indication of impairment to the non-monetary assets during the year.

j) **Accounting Standard – 29 “Provisions, Contingent Liabilities and Contingent Assets”**

**Description of Contingent liabilities:**

| Sr. No. | Particulars                                                                                 | Brief Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Claims against the Bank not acknowledged as debts                                           | The Bank is a party to various proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows. The Bank is also a party to various taxation matters in respect of which appeals are pending.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 2.      | Liability on partly paid-up investments/Venture Funds                                       | This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 3.      | Liability on account of outstanding forward exchange contracts                              | The Bank enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as Contingent Liabilities. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.                                                                                                                                                                                                                                                    |
| 4.      | Guarantees given on behalf of constituents, acceptances, endorsements and other obligations | As a part of its commercial Banking activities, the Bank issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 5.      | Other items for which the Bank is contingently liable                                       | The Bank enters into currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by the Bank on behalf of Associates & Subsidiaries, Bank's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities. |

The Contingent Liabilities mentioned above are dependent upon the outcome of Court/arbitration/out of Court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be.

**Movement of provisions against Contingent Liabilities**

The movement of provisions against contingent liabilities given in the table below:

| (₹ in Crore)                           |                 |                 |
|----------------------------------------|-----------------|-----------------|
| Particulars                            | Current Year    | Previous Year   |
| Opening balance                        | 3,664.18        | 3,429.98        |
| Additions during the year              | 143.54          | 438.42          |
| Amount utilised during the year        | 86.59           | 7.40            |
| Unused amount reversed during the year | 611.18          | 196.82          |
| <b>Closing balance</b>                 | <b>3,109.95</b> | <b>3,664.18</b> |

# SCHEDULES

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

## 18.15 Additional Disclosures

**a) Payment to Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006**

There has been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises.

**b) Letter of Comfort**

The Bank has given Letter of Comfort to the Governor, Bank of Indonesia for its subsidiary Bank SBI Indonesia, a foreign Subsidiary. Letter of Comfort has been given to the Minister of Finance, Ottawa, Ontario, Canada for SBI Canada Bank, a foreign Subsidiary. The consolidated amount for this letter of comfort is ₹2054.25 Crore (USD 250 Mio) as at 31<sup>st</sup> March 2023. (Previous Year ₹1,894.81 Crore).

**c) Inter Office Accounts**

Inter Office Accounts between branches, controlling offices, local head offices and corporate centre establishments are being reconciled on an ongoing basis and there is no material effect on the profit and loss account of the current year.

**d) Counter Cyclical Provisioning Buffer (CCPB)**

RBI vide Circular No. DOR.STR.REC.10/21.04.048/2021-22 dated 5<sup>th</sup> May 2021 on 'Utilisation of Floating Provisions/ Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 100 percent of CCPB held by them as on 31<sup>st</sup> December 2020, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors.

During the year, the Bank has not utilised the CCPB for making specific provision for NPAs.

**e) Provision on accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC)**

As per RBI letters no. DBR.No.BP.15199/21.04.048/2016-17 and DBR. No. BP. 1906/21.04.048/ 2017-18 dated 23<sup>rd</sup> June 2017 and 28<sup>th</sup> August 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the bank is holding total provision of ₹3,935.48 Crore (100% of total outstanding) as on 31<sup>st</sup> March 2023 (Previous Year ₹4,739.87 Crore {100% of total outstanding}).

**f) Provision for Wage Revision**

The Bank has made a provision of ₹2,490.00 Crore (total cumulative till 31<sup>st</sup> March 2023 ₹2,490.00 Crore) for the year ended 31<sup>st</sup> March 2023 towards arrears of wages due for revision w.e.f. 1<sup>st</sup> November 2022)

**g) Revaluation of Properties**

During the year the Bank has revalued freehold immovable properties (earlier revalued in financial year 2019-2020) based on valuation reports obtained from external independent valuers and the closing balance of Revaluation Reserve as on 31<sup>st</sup> March 2023 (net of amount transferred to General Reserve) is ₹27,756.26 Crore (Previous Year ₹23,377.87 Crore).

- h)** The COVID-19 pandemic across the globe resulted in decline in economic activities and movement in financial markets. In this situation, Bank geared up to meet the challenges and has been evaluating the situation on an ongoing basis and had proactively provided against the challenges of likely stress on the Bank's assets. Bank's management is not expecting any significant impact on Bank's liquidity or profitability.
- i)** The Central Board has declared a dividend of ₹11.30 per share @ 1130% for the year ended 31<sup>st</sup> March 2023.
- j)** Previous year figures have been regrouped/reclassified, wherever necessary, to confirm to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines/Accounting Standards, previous year's figures have not been mentioned.

# State Bank of India

Cash Flow Statement for the year ended 31<sup>st</sup> March 2023

| (000s omitted)                                                                                        |                                            |                                            |
|-------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Particulars                                                                                           | Year ended<br>31.03.2023<br>(FY22-23)<br>₹ | Year ended<br>31.03.2022<br>(FY21-22)<br>₹ |
| <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>                                                           |                                            |                                            |
| Net Profit/(Loss) before Taxes                                                                        | 67205,63,25                                | 43421,85,36                                |
| <b>Adjustments for:</b>                                                                               |                                            |                                            |
| Depreciation on Fixed Assets                                                                          | 3297,27,04                                 | 3248,58,58                                 |
| (Profit)/Loss on sale of Fixed Assets (Net)                                                           | 29,78,85                                   | 16,86,60                                   |
| (Profit)/Loss on revaluation of Investments (Net)                                                     | 4644,43,56                                 | 263,27,88                                  |
| Loss on sale of Investments in Subsidiaries/ Joint Ventures/ Associates                               | -                                          | 12,92,61                                   |
| Provision for diminution in fair value & Non Performing Assets                                        | 9143,92,59                                 | 14086,84,54                                |
| Provision on Standard Assets                                                                          | 5618,54,85                                 | 4677,03,92                                 |
| Provision on non-performing Investments                                                               | 1513,84,35                                 | 3440,09,87                                 |
| Other provisions including provision for contingencies                                                | 231,01,57                                  | 2248,14,81                                 |
| Income from investment in Subsidiaries/ Joint Ventures/ Associates                                    | (855,10,80)                                | (718,37,49)                                |
| Interest charged on Capital Instruments                                                               | 6387,15,64                                 | 5451,98,00                                 |
|                                                                                                       | <b>97216,50,90</b>                         | <b>76149,24,68</b>                         |
| <b>Adjustments for:</b>                                                                               |                                            |                                            |
| Increase/(Decrease) in Deposits                                                                       | 372243,65,37                               | 370257,04,31                               |
| Increase/(Decrease) in Borrowings other than Capital Instruments                                      | 49958,77,64                                | 5064,98,09                                 |
| (Increase)/Decrease in Investments other than investments in Subsidiaries/ Joint Ventures/ Associates | (94349,41,25)                              | (132646,14,69)                             |
| (Increase)/Decrease in Advances                                                                       | (474446,62,98)                             | (298555,64,72)                             |
| Increase/(Decrease) in Other Liabilities                                                              | 31320,55,51                                | 40375,27,17                                |
| (Increase)/Decrease in Other Assets                                                                   | (57942,51,27)                              | 5583,06,80                                 |
|                                                                                                       | <b>(75999,06,08)</b>                       | <b>66227,81,64</b>                         |
| Tax refund/(Taxes paid )                                                                              | (15352,75,44)                              | (7812,36,34)                               |
| <b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>                                         | <b>A (91351,81,52)</b>                     | <b>58415,45,30</b>                         |
| <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>                                                           |                                            |                                            |
| Purchase of Investments in Subsidiaries/ Joint Ventures/ Associates                                   | (729,62,26)                                | (878,47,10)                                |
| Sale of Investments in Subsidiaries/ Joint Ventures/ Associates                                       | -                                          | ★80,97,57                                  |
| (Loss) on sale of Investments in Subsidiaries/ Joint Ventures/ Associates                             | -                                          | ★(12,92,61)                                |
| Income from investment in Subsidiaries/ Joint Ventures/ Associates                                    | 855,10,80                                  | 718,37,49                                  |
| (Increase) in Fixed Assets                                                                            | (4066,08,04)                               | (2715,31,18)                               |
| Decrease in Fixed Assets                                                                              | 643,55,83                                  | 194,64,06                                  |
| <b>NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES</b>                                         | <b>B (3297,03,67)</b>                      | <b>(2612,71,77)</b>                        |



(000s omitted)

| Particulars                                                                                                                                                                                             | Year ended<br>31.03.2023<br>(FY22-23)<br>₹ | Year ended<br>31.03.2022<br>(FY21-22)<br>₹ |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>CASH FLOW FROM FINANCING ACTIVITIES:</b>                                                                                                                                                             |                                            |                                            |
| Proceeds from issue of equity shares including share premium                                                                                                                                            | 64                                         | -                                          |
| Issue of Capital Instruments                                                                                                                                                                            | 19133,00,00                                | 13974,00,00                                |
| Redemption of Capital Instruments                                                                                                                                                                       | (2000,00,00)                               | (10293,30,00)                              |
| Interest paid on Capital Instruments                                                                                                                                                                    | (5594,52,73)                               | (5288,37,02)                               |
| Dividend paid                                                                                                                                                                                           | (6336,72,16)                               | (3569,84,46)                               |
| <b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>                                                                                                                                           | <b>C 5201,75,75</b>                        | <b>(5177,51,48)</b>                        |
| <b>EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE</b>                                                                                                                                            | <b>D 2794,39,13</b>                        | <b>888,39,12</b>                           |
| <b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C+D)</b>                                                                                                                                 | <b>(86652,70,31)</b>                       | <b>51513,61,17</b>                         |
| <b>CASH AND CASH EQUIVALENTS AS AT 1<sup>ST</sup> APRIL</b>                                                                                                                                             | <b>394552,32,11</b>                        | <b>343038,70,94</b>                        |
| <b>CASH AND CASH EQUIVALENTS AS AT 31<sup>ST</sup> MARCH</b>                                                                                                                                            | <b>307899,61,80</b>                        | <b>394552,32,11</b>                        |
| <b>Notes:</b>                                                                                                                                                                                           |                                            |                                            |
| ★ The banking licence of 'Bank SBI Botswana' is surrendered on 30.06.2021. Operations of the same were closed post deregistration & the capital of ₹80.98 Crore is repatriated at loss of ₹12.93 Crore. |                                            |                                            |
| 1. Components of Cash & Cash Equivalents as at:                                                                                                                                                         | <b>31.03.2023</b>                          | <b>31.03.2022</b>                          |
| Cash & Balance with RBI                                                                                                                                                                                 | 247087,57,52                               | 318265,20,71                               |
| Balances with Banks and money at call & short notice                                                                                                                                                    | 60812,04,28                                | 76287,11,40                                |
|                                                                                                                                                                                                         | <b>307899,61,80</b>                        | <b>394552,32,11</b>                        |
| 2. Cash flow from operating activities is reported by using indirect method.                                                                                                                            |                                            |                                            |

**Shri Alok Kumar Choudhary**  
Managing Director  
(Retail Business & Operations)

**Shri Ashwini Kumar Tewari**  
Managing Director  
(Risk, Compliance & SARG)

**Shri Swaminathan J.**  
Managing Director  
(Corporate Banking &  
Subsidiaries)

**Shri Challa Sreenivasulu Setty**  
Managing Director  
(International Banking, Global  
Markets & Technology)

**Directors:**

Shri B. Venugopal  
Dr. Ganesh G Natarajan  
Shri Ketan S. Vikamsey  
Shri Mrugank M. Paranjape  
Shri Prafulla P. Chhajed  
Ms. Swati Gupta  
Shri Anil Kumar Sharma

**Shri Dinesh Kumar Khara**  
Chairman

**Place: Mumbai**  
**Date: 18<sup>th</sup> May 2023**

In terms of our report of even date

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

**CA Chirag Bakshi**  
Partner: M. No. 047164

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

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

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

**CA V Natarajan**  
Partner: M. No. 223118

**For Gokhale & Sathe**  
Chartered Accountants  
Firm Regn. No. 103264W

**CA Jayant Gokhale**  
Partner: M. No. 033767

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

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

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

**CA Nikhil Jain**  
Partner: M. No. 301150

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

**CA Anand Sharma**  
Partner: M. No. 129033

**For M K Aggarwal & Co.**  
Chartered Accountants  
Firm Regn. No. 001411N

**CA Atul Aggarwal**  
Partner: M. No. 099374

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

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

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

**CA Aniruddha Sengupta**  
Partner: M. No. 051371

**For Ravi Rajan & Co. LLP**  
Chartered Accountants  
Firm Regn. No. 009073N/N500320

**CA Sumit Kumar**  
Partner: M. No. 512555

**For JLN US & Co.**  
Chartered Accountants  
Firm Regn. No. 101543W

**CA Shalabh Kumar Daga**  
Partner: M. No. 401428

Place: Mumbai  
Date: 18<sup>th</sup> May 2023

# Independent Auditors' Report

To

**The President of India**

## **REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS OF STATE BANK OF INDIA**

### **Opinion**

1. We have audited the accompanying Standalone Financial Statements of State Bank of India ("the Bank") which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, the Profit and Loss Account and the Statement of Cash Flow for the year then ended, and Notes to Standalone Financial Statements including a summary of Significant Accounting Policies and other explanatory information in which are included returns for the year ended on that date of:

- i. The Central offices, 17 Local Head offices, Global Market Unit, International Business Group, Corporate Accounts Group (Central), Commercial Client Group (Central), Stressed Asset Resolution Group (Central), Central Accounts Offices and 20 branches audited by us and;
- ii. 5,719 Indian branches audited by respective Statutory Branch Auditors;
- iii. 34 Foreign branches audited by respective Local Auditors;

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India (RBI). Also incorporated in the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows are the returns from 19,285 Indian branches (including other accounting units) which have not been subjected to audit. These unaudited branches account for 25.18% of advances, 39.97% of deposits, 21.04% of interest income and 37.73% of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act, 1949 and State Bank of India Act, 1955 in the manner so required for the Bank and are in conformity with accounting principles generally accepted in India and:

- a) the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31<sup>st</sup> March 2023;
- b) the Profit and Loss Account, read with the notes thereon shows a true balance of profit for the year ended on that date; and
- c) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

### **Basis for Opinion**

2. We conducted our audit in accordance with the Standards of Auditing ("SAs") issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Standalone Financial Statements, prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the ICAI, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ("RBI") from time to time and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

3. Key Audit Matters are those matters that in our professional judgement were of most significance in our audit of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2023. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

# Independent Auditors' Report

| Sr. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                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| i.      | <p>Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances (Refer Schedule 9 read with Note 3 of Schedule 17 to the financial statements):</p> <p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances.</p> <p>Advances constitute 58.45% of the Bank's total assets. They are, inter alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non-performing Advances (NPA) except in case of foreign offices, classification of advances and provisioning thereof is made as per local regulations or RBI guidelines, whichever is more stringent. The Bank classifies these Advances based on IRAC norms as per its accounting policy No. 3.</p> <p>Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which identifies whether the advances are performing or non-performing.</p> <p>The bank is in the continuous process to upgrade existing &amp; implement new IT applications in various areas of its business operations, including income recognition and asset classification in terms of RBI Circular Ref. No. Dos. CO. PPG./ SEC.03/11.01.005/2020-21 dated 14<sup>th</sup> September 2020. These applications require detailed testing, verifications and UAT before final implementation. The financial impact pending such implementation is not likely to be material as per the management.</p> <p>Further, NPA classification and calculation of provision (except in case of foreign offices) is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application Software and other processes.</p> <p>The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed.</p> <p>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgement involved in valuation of securities and calculation of provisions, it is a matter of high importance for the intended users of the Standalone Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.</p> | <p>Our audit approach towards advances with reference to the IRAC norms and other related circulars/directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of controls on sample basis</p> <ol style="list-style-type: none"> <li>The accuracy of the data input in the system for income recognition, classification into performing and non-performing Advances and provisioning in accordance with the IRAC norms in respect of the branches audited by us;</li> <li>Existence and effectiveness of monitoring mechanisms such as Internal Audit, Systems Audit, Credit Audit and Concurrent Audit as per the policies and procedures of the Bank;</li> <li>Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars/ Guidelines/ Judicial pronouncements;</li> <li>We have relied on the reports of IT System Audit by IAD with respect to the business logics/parameters inbuilt in CBS and CCDP for tracking, identification and stamping of NPAs and provisioning in respect thereof.</li> <li>We tested the mapping of advances in the CCDP application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circulars / directions</li> <li>We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection.</li> <li>In carrying out substantive procedures at the branches audited by us, we have examined large advances/ stressed advances while other advances have been examined on a sample basis including review of valuation reports of independent valuers provided by the Bank's management.</li> <li>We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision;</li> <li>Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication.</li> <li>Bank has laid down detailed Standard Operating Procedure to ensure control over processes. We have relied on these Standard Operating Procedures and have conducted our testing based on these Standard Operating Procedures.</li> </ol> |

| Sr. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ii.     | <p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements):</p> <p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities.</p> <p>Investments constitute 28.69% of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against.</p> <p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of non-performing investments and provisioning related to investments.</p> | <p>Our audit approach towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs), provisioning/depreciation related to Investments. In particular;</p> <ol style="list-style-type: none"> <li>We understood and evaluated the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, provisioning/depreciation related to investments;</li> <li>We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;</li> <li>For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample;</li> <li>We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;</li> <li>We carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs;</li> <li>We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.</li> </ol> |

# Independent Auditors' Report

| Sr. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| iii.    | <p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 18.13 of Schedule 18 to the financial statements):</p> <p>There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgement, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgement in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgements/interpretation of law involved.</p> | <p>Our audit approach involved:</p> <ol style="list-style-type: none"> <li>Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances;</li> <li>Understanding the current status of the litigations/ tax assessments including the status upto the date of auditor's report;</li> <li>Examining recent orders and/or communication received from various tax authorities/judicial forums and follow up action thereon;</li> <li>Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal/tax advice including opinion of our internal tax experts;</li> <li>Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and</li> <li>Verification of disclosures related to significant litigations and taxation matters.</li> </ol> |

## Information Other than the Standalone Financial Statements and Auditors' Report thereon

- The Bank's Board of Directors is responsible for preparation of the Other Information. The Other Information comprises the Corporate Governance Report which we obtained at the time of issue of this report. The Other Information also includes Directors' Report including annexures in Annual Report, but does not include the Standalone Financial Statements and our Auditors' Report thereon, which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the Standalone Financial Statements does not cover the Other Information and Pillar 3 disclosures under the Basel III and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the Other Information that we obtained prior to the date of this Auditors' Report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

- The Bank's Board of Directors is responsible with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India including the Accounting Standards issued by ICAI to the extent applicable, and provisions of Section 29 of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and circulars and guidelines issued by RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the above-mentioned Acts for safeguarding of the

assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

6. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement whether due to fraud or error and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.



# Independent Auditors' Report

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

7. We did not audit the financial statements/information of 5,753 branches (including 34 Foreign branches) included in the Standalone Financial Statements of the Bank whose financial statements/financial information reflects total assets of ₹20,84,279.13 Crore at 31<sup>st</sup> March 2023 and total revenue of ₹1,30,247.03 Crore for the year ended on that date, as considered in the Standalone Financial Statements. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of the above matter.

## Report on Other Legal and Regulatory Requirements

8. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949; and these give

information as required to be given by virtue of the provisions of the State Bank of India Act, 1955 and regulations thereunder.

Subject to the limitations of the audit indicated in paragraphs 5 to 7 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required therein and as required by sub-section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
  - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
  - c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
  - d) The profit and loss account shows the true balance of profit for the year ended 31.03.2023.
9. We further report that:
    - a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
    - b) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
    - c) the reports on the accounts of the branch offices audited by branch auditors of the Bank as per the provisions of the Section 29 of the Banking Regulation Act, 1949, and the State Bank of India Act, 1955 have been sent to us and have



been properly dealt with by us in preparing this report; and

- d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

10. As required by letter No. DOS.ARG. No.6270/08.91.001/2019-20 dated 17<sup>th</sup> March 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs", we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

- a) In our opinion, the aforesaid Standalone Financial Statements comply with the applicable Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

- b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Bank.

- c) As the bank is not registered under the Companies Act, 2013 the disqualifications from being a director of the bank under sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank.

- d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.

- e) Our Audit report on the adequacy and operating effectiveness of the Bank's Internal Financial Controls over Financial Reporting is given in **Annexure - A** to this report expressing an unmodified opinion on the Bank's Internal Financial Control over Financial Reporting with reference to the Standalone Financial Statements as at 31<sup>st</sup> March 2023.

In terms of our report of even date

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

**CA Chirag Bakshi**  
Partner: M. No. 047164  
UDIN: 23047164BGVCQW6970

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

**Dr. B. S. Kundu**  
Partner: M. No. 051221  
UDIN: 23051221BGYLEK2410

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

**CA V Natarajan**  
Partner: M. No. 223118  
UDIN: 23223118BGYEYOY8174

**For Gokhale & Sathe**  
Chartered Accountants  
Firm Regn. No. 103264W

**CA Jayant Gokhale**  
Partner: M. No. 033767  
UDIN: 23033767BGZMFMV1971

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

**CA Prateet Mittal**  
Partner: M. No. 402631  
UDIN: 23402631BGXJUC7968

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

**CA Nikhil Jain**  
Partner: M. No. 301150  
UDIN: 23301150BGSUKP9407

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

**CA Anand Sharma**  
Partner: M. No. 129033  
UDIN: 23129033BGSKDC6522

**For M K Aggarwal & Co.**  
Chartered Accountants  
Firm Regn. No. 001411N

**CA Atul Aggarwal**  
Partner: M. No. 099374  
UDIN: 23099374BGSEQK4543

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

**CA Shakun Gupta**  
Partner: M. No. 506838  
UDIN: 23506838BGYZLU2131

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

**CA Aniruddha Sengupta**  
Partner: M. No. 051371  
UDIN: 23051371BGVSBN8478

**For Ravi Rajan & Co. LLP**  
Chartered Accountants  
Firm Regn. No. 009073N/N500320

**CA Sumit Kumar**  
Partner: M. No. 512555  
UDIN: 23512555BGXMLB5054

**For JLN US & Co.**  
Chartered Accountants  
Firm Regn. No. 101543W

**CA Shalabh Kumar Daga**  
Partner: M. No. 401428  
UDIN: 23401428BGXGAQ7177

Place: Mumbai  
Date: 18<sup>th</sup> May 2023

# ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 10(e) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

## **Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the “RBI”) Letter DOS.ARG. No.6270/08.91.001/2019-20 dated 17<sup>th</sup> March 2020 (as amended) (the “RBI communication”)**

We have audited the internal financial controls over financial reporting of State Bank of India (“the Bank”) as of 31<sup>st</sup> March 2023 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting of the Bank’s branches.

### **Management’s Responsibility for Internal Financial Controls**

The Bank’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949, State Bank of India Act, 1955 and the circulars and guidelines issued by the Reserve Bank of India.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Bank’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (the “ICAI”) and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we

comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls Over Financial Reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank’s internal financial controls over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Bank’s internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank’s internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank’s assets that could have a material effect on the financial statements.

# ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred

to in the Other Matters paragraph below, the Bank has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2023, based on “the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI”.

## **Other Matters**

Our aforesaid report in so far as it relates to the operating effectiveness of internal financial controls over financial reporting of 711 branches is based on the corresponding reports of the respective branch auditors of those branches.

Our opinion is not modified in respect of this matter.

In terms of our report of even date

**For K C Mehta & Co LLP**

Chartered Accountants  
Firm Regn. No. 106237W/W100829

**CA Chirag Bakshi**

Partner: M. No. 047164  
UDIN: 23047164BGVCQW6970

**For Guha Nandi & Co.**

Chartered Accountants  
Firm Regn. No. 302039E

**Dr. B. S. Kundu**

Partner: M. No. 051221  
UDIN: 23051221BGYLEK2410

**For Suri & Co.**

Chartered Accountants  
Firm Regn. No. 004283S

**CA V Natarajan**

Partner: M. No. 223118  
UDIN: 23223118BGYEYOY8174

**For Gokhale & Sathe**

Chartered Accountants  
Firm Regn. No. 103264W

**CA Jayant Gokhale**

Partner: M. No. 033767  
UDIN: 23033767BGZMFV1971

**For ASA & Associates LLP**

Chartered Accountants  
Firm Regn. No. 009571N/N500006

**CA Prateet Mittal**

Partner: M. No. 402631  
UDIN: 23402631BGXJUC7968

**For M C Bhandari & Co.**

Chartered Accountants  
Firm Regn. No. 303002E

**CA Nikhil Jain**

Partner: M. No. 301150  
UDIN: 23301150BGSUKP9407

**For Talati & Talati LLP**

Chartered Accountants  
Firm Regn. No. 110758W/W100377

**CA Anand Sharma**

Partner: M. No. 129033  
UDIN: 23129033BGSKDC6522

**For M K Aggarwal & Co.**

Chartered Accountants  
Firm Regn. No. 001411N

**CA Atul Aggarwal**

Partner: M. No. 099374  
UDIN: 23099374BGSEQK4543

**For Prem Gupta & Co.**

Chartered Accountants  
Firm Regn. No. 000425N

**CA Shakun Gupta**

Partner: M. No. 506838  
UDIN: 23506838BGYZLU2131

**For V Singhi & Associates**

Chartered Accountants  
Firm Regn. No. 311017E

**CA Aniruddha Sengupta**

Partner: M. No. 051371  
UDIN: 23051371BGVSBN8478

**For Ravi Rajan & Co. LLP**

Chartered Accountants  
Firm Regn. No. 009073N/N500320

**CA Sumit Kumar**

Partner: M. No. 512555  
UDIN: 23512555BGXMLB5054

**For JLN US & Co.**

Chartered Accountants  
Firm Regn. No. 101543W

**CA Shalabh Kumar Daga**

Partner: M. No. 401428  
UDIN: 23401428BGXGAQ7177

Place: Mumbai

Date: 18<sup>th</sup> May 2023

# State Bank of India

Consolidated Balance Sheet as at 31<sup>st</sup> March 2023

## Consolidated Financials

(000s omitted)

|                                                      | Schedule No. | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|------------------------------------------------------|--------------|-----------------------------------------|------------------------------------------|
| <b>CAPITAL AND LIABILITIES</b>                       |              |                                         |                                          |
| Capital                                              | 1            | 892,46,12                               | 892,46,12                                |
| Reserves & Surplus                                   | 2            | 358038,85,69                            | 304695,58,39                             |
| Minority Interest                                    | 2A           | 12836,61,94                             | 11207,42,28                              |
| Deposits                                             | 3            | 4468535,50,68                           | 4087410,60,06                            |
| Borrowings                                           | 4            | 521151,94,98                            | 449159,78,36                             |
| Other Liabilities and Provisions                     | 5            | 592962,92,29                            | 507517,67,73                             |
| <b>TOTAL</b>                                         |              | <b>5954418,31,70</b>                    | <b>5360883,52,94</b>                     |
| <b>ASSETS</b>                                        |              |                                         |                                          |
| Cash and Balances with Reserve Bank of India         | 6            | 247321,04,97                            | 318492,43,01                             |
| Balances with Banks and Money at Call & Short Notice | 7            | 70990,86,00                             | 80412,69,16                              |
| Investments                                          | 8            | 1913107,85,64                           | 1776489,89,88                            |
| Advances                                             | 9            | 3267902,12,73                           | 2794076,00,18                            |
| Fixed Assets                                         | 10           | 44407,38,10                             | 39510,03,05                              |
| Other Assets                                         | 11           | 410689,04,26                            | 351902,47,66                             |
| <b>TOTAL</b>                                         |              | <b>5954418,31,70</b>                    | <b>5360883,52,94</b>                     |
| Contingent Liabilities                               | 12           | 1835524,38,19                           | 2007232,49,00                            |
| Bills for Collection                                 |              | 64571,94,48                             | 77783,05,62                              |
| Significant Accounting Policies                      | 17           |                                         |                                          |
| Notes to Accounts                                    | 18           |                                         |                                          |

Schedules referred to above form an integral part of the Balance Sheet.

**Shri Alok Kumar Choudhary**  
Managing Director  
(Retail Business & Operations)

**Shri Ashwini Kumar Tewari**  
Managing Director  
(Risk, Compliance & SARG)

**Shri Swaminathan J.**  
Managing Director  
(Corporate Banking & Subsidiaries)

**Shri Challa Sreenivasulu Setty**  
Managing Director  
(International Banking, Global Markets & Technology)

In terms of our Report of even date  
**For K C Mehta & Co LLP**  
Chartered Accountants  
Firm Regn. No. 106237W/W100829

**Shri Dinesh Kumar Khara**  
Chairman

**Shri Chirag Bakshi**  
Partner  
Membership No. 047164

**Place: Mumbai**  
**Date: 18<sup>th</sup> May 2023**

# SCHEDULES

forming part of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2023

## SCHEDULE 1 - CAPITAL

(000s omitted)

|                                                                                                                                                                                                        | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>Authorised Capital:</b>                                                                                                                                                                             |                                         |                                          |
| 5000,00,00,000 Equity shares of ₹1/- each<br>(Previous Year 5000,00,00,000 Equity shares of ₹1/- each)                                                                                                 | 5000,00,00                              | 5000,00,00                               |
| <b>Issued Capital:</b>                                                                                                                                                                                 |                                         |                                          |
| 892,54,05,164 Equity shares of ₹1/- each<br>(Previous Year 892,54,05,164 Equity shares of ₹1/- each)                                                                                                   | 892,54,05                               | 892,54,05                                |
| <b>Subscribed and Paid up Capital:</b>                                                                                                                                                                 |                                         |                                          |
| 892,46,11,934 Equity shares of ₹1/- each<br>(Previous Year 892,46,11,534 Equity shares of ₹1/- each)                                                                                                   | 892,46,12                               | 892,46,12                                |
| [The above includes 891,60,950 Equity shares of ₹1/- each<br>(Previous Year 1036,05,740 Equity shares of ₹1/- each)<br>represented by 89,16,095 (Previous Year 103,60,574) Global Depository Receipts] |                                         |                                          |
| <b>TOTAL</b>                                                                                                                                                                                           | <b>892,46,12</b>                        | <b>892,46,12</b>                         |

## SCHEDULE 2 - RESERVES & SURPLUS

(000s omitted)

|                                           | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|-------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>I. Statutory Reserves</b>              |                                         |                                          |
| Opening Balance                           | 86939,14,12                             | 77170,11,43                              |
| Additions during the year                 | 15370,39,97                             | 9769,02,69                               |
| Deductions during the year                | 3,77 102309,50,32                       | - 86939,14,12                            |
| <b>II. Capital Reserves</b>               |                                         |                                          |
| Opening Balance                           | 15769,81,83                             | 15231,66,59                              |
| Additions during the year                 | 232,80,84                               | 538,15,24                                |
| Deductions during the year                | - 16002,62,67                           | - 15769,81,83                            |
| <b>III. Share Premium</b>                 |                                         |                                          |
| Opening Balance                           | 79115,47,05                             | 79115,47,05                              |
| Additions during the year                 | 63                                      | -                                        |
| Deductions during the year                | - 79115,47,68                           | - 79115,47,05                            |
| <b>IV. Investment Fluctuation Reserve</b> |                                         |                                          |
| Opening Balance                           | 7695,94,74                              | 3048,07,72                               |
| Additions during the year                 | 4575,43,43                              | 4647,87,02                               |
| Deductions during the year                | - 12271,38,17                           | - 7695,94,74                             |

# SCHEDULES

forming part of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2023

(000s omitted)

|                                                | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|------------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>V. Foreign Currency Translation Reserve</b> |                                         |                                          |
| Opening Balance                                | 11256,69,03                             | 10290,42,37                              |
| Additions during the year                      | 3075,05,46                              | 966,26,66                                |
| Deductions during the year                     | - 14331,74,49                           | - 11256,69,03                            |
| <b>VI. Revenue and Other Reserves</b>          |                                         |                                          |
| Opening Balance                                | 59873,25,90                             | 57936,43,59                              |
| Additions during the year #                    | 4352,07,11                              | 2072,94,73                               |
| Deductions during the year                     | 242,74,97 63982,58,04                   | 136,12,42 59873,25,90                    |
| <b>VII. Revaluation Reserve</b>                |                                         |                                          |
| Opening Balance                                | 23377,86,71                             | 23577,34,78                              |
| Additions during the year                      | 4578,34,93                              | -                                        |
| Deductions during the year                     | 199,95,74 27756,25,90                   | 199,48,07 23377,86,71                    |
| <b>VIII. Capital Reserve on Consolidation</b>  |                                         |                                          |
| Opening Balance                                | 273,03,96                               | 203,02,24                                |
| Additions during the year                      | 72,94,18                                | 70,01,72                                 |
| Deductions during the year                     | - 345,98,14                             | - 273,03,96                              |
| <b>IX. Balance in Profit and Loss Account</b>  | 41923,30,28                             | 20394,35,05                              |
| <b>TOTAL</b>                                   | <b>358038,85,69</b>                     | <b>304695,58,39</b>                      |

# net of consolidation adjustments

Note: Revenue and Other Reserves include (i) ₹5,00,00 thousand (Previous Year ₹5,00,00 thousand ) of Integration and Development Fund (maintained under Section 36 of the State Bank of India Act, 1955) (ii) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 ₹ 17749,30,76 thousand (Previous Year ₹15696,95,76 thousand (iii) Investment Reserve ₹ Nil (Previous Year ₹ Nil)

## SCHEDULE 2A - MINORITY INTEREST

(000s omitted)

|                                                       | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|-------------------------------------------------------|-----------------------------------------|------------------------------------------|
| Minority Interest at the beginning of the year        | 11207,42,28                             | 9625,91,66                               |
| Subsequent increase/decrease during the year          | 1629,19,66                              | 1581,50,62                               |
| <b>Minority Interest on the date of balance sheet</b> | <b>12836,61,94</b>                      | <b>11207,42,28</b>                       |



### SCHEDULE 3 - DEPOSITS

(000s omitted)

|                                            | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|--------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>A) I) Demand Deposits</b>               |                                         |                                          |
| i) From Banks                              | 3160,40,31                              | 6328,02,10                               |
| ii) From Others                            | 302572,94,64                            | 273403,37,96                             |
| <b>II) Savings Bank Deposits</b>           | 1600786,08,97                           | 1539980,57,43                            |
| <b>III) Term Deposits</b>                  |                                         |                                          |
| i) From Banks                              | 7611,65,56                              | 8971,36,01                               |
| ii) From Others                            | 2554404,41,20                           | 2258727,26,56                            |
| <b>TOTAL</b>                               | <b>4468535,50,68</b>                    | <b>4087410,60,06</b>                     |
| <b>B) i) Deposits of Branches in India</b> | 4248617,47,94                           | 3917357,59,34                            |
| ii) Deposits of Branches outside India     | 219918,02,74                            | 170053,00,72                             |
| <b>TOTAL</b>                               | <b>4468535,50,68</b>                    | <b>4087410,60,06</b>                     |

### SCHEDULE 4 - BORROWINGS

(000s omitted)

|                                                          | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|----------------------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>I) Borrowings in India</b>                            |                                         |                                          |
| i) Reserve Bank of India                                 | 26467,44,00                             | 24956,00,00                              |
| ii) Other Banks                                          | 12929,14,36                             | 10636,43,98                              |
| iii) Other Institutions and Agencies                     | 98387,56,25                             | 151731,12,75                             |
| (iv) Bonds & Debentures (Other than Capital Instruments) | 23073,00,00                             | 3111,50,00                               |
| (v) Capital Instruments:                                 |                                         |                                          |
| a) Innovative Perpetual Debt Instruments (IPDI)          | 49842,70,00                             | 36709,70,00                              |
| b) Subordinated Debt                                     | 40679,90,00                             | 90522,60,00                              |
| <b>TOTAL</b>                                             | <b>251379,74,61</b>                     | <b>263674,66,73</b>                      |
| <b>II) Borrowings outside India</b>                      |                                         |                                          |
| i) Borrowings and Refinance outside India                | 269482,49,31                            | 185320,49,83                             |
| ii) Capital Instruments:                                 |                                         |                                          |
| a) Innovative Perpetual Debt Instruments (IPDI)          | -                                       | -                                        |
| b) Subordinated Debt                                     | 289,71,06                               | 289,71,06                                |
| <b>TOTAL</b>                                             | <b>269772,20,37</b>                     | <b>185485,11,63</b>                      |
| <b>GRAND TOTAL</b>                                       | <b>521151,94,98</b>                     | <b>449159,78,36</b>                      |
| Secured Borrowings included in I & II above              | 147932,42,29                            | 188360,08,98                             |

# SCHEDULES

forming part of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2023

## SCHEDULE 5 - OTHER LIABILITIES & PROVISIONS

|                                                                 | (000s omitted)                          |                                          |
|-----------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                                 | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
| I. Bills payable                                                | 27408,12,08                             | 33485,82,47                              |
| II. Inter Bank Adjustments (net)                                | 235,50,41                               | 37,86,55                                 |
| III. Inter Office Adjustments (net)                             | 4346,60,96                              | 2344,61,99                               |
| IV. Interest accrued                                            | 27495,02,55                             | 17990,61,59                              |
| V. Deferred Tax Liabilities (net)                               | 3,80,18                                 | 5,68,86                                  |
| VI. Liabilities relating to Policyholders in Insurance Business | 308442,71,80                            | 264548,27,48                             |
| VII. Provision for Standard Assets*                             | 26332,69,39                             | 20592,09,08                              |
| VIII. Others (including provisions)                             | 198698,44,92                            | 168512,69,71                             |
| <b>TOTAL</b>                                                    | <b>592962,92,29</b>                     | <b>507517,67,73</b>                      |

\* includes prudential provision made on a large borrower account of SBI having an exposure of ₹8,500 Crore.

## SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

|                                                             | (000s omitted)                          |                                          |
|-------------------------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                             | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
| I. Cash in hand (including foreign currency notes and gold) | 21628,41,77                             | 21967,22,06                              |
| II. Balances with Reserve Bank of India                     |                                         |                                          |
| i) In Current Account                                       | 225692,63,20                            | 236119,20,95                             |
| ii) In Other Accounts                                       | -                                       | 60406,00,00                              |
| <b>TOTAL</b>                                                | <b>247321,04,97</b>                     | <b>318492,43,01</b>                      |

## SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

|                                     | (000s omitted)                          |                                          |
|-------------------------------------|-----------------------------------------|------------------------------------------|
|                                     | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
| <b>I. In India</b>                  |                                         |                                          |
| i) Balances with banks              |                                         |                                          |
| a) In Current Account               | 1262,19,41                              | 1064,57,10                               |
| b) In Other Deposit Accounts        | 4395,41,30                              | 3727,11,66                               |
| ii) Money at call and short notice  |                                         |                                          |
| a) With banks                       | 7770,44,34                              | 532,22,08                                |
| b) With Other Institutions          | -                                       | -                                        |
| <b>TOTAL</b>                        | <b>13428,05,05</b>                      | <b>5323,90,84</b>                        |
| <b>II. Outside India</b>            |                                         |                                          |
| i) In Current Account               | 44397,86,48                             | 62547,03,12                              |
| ii) In Other Deposit Accounts       | 1816,80,21                              | 3579,70,45                               |
| iii) Money at call and short notice | 11348,14,26                             | 8962,04,75                               |
| <b>TOTAL</b>                        | <b>57562,80,95</b>                      | <b>75088,78,32</b>                       |
| <b>GRAND TOTAL (I and II)</b>       | <b>70990,86,00</b>                      | <b>80412,69,16</b>                       |

## SCHEDULE 8 - INVESTMENTS

(000s omitted)

|                                                                               | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|-------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>I. Investments in India in:</b>                                            |                                         |                                          |
| i) Government Securities                                                      | 1357221,39,54                           | 1261071,12,87                            |
| ii) Other Approved Securities                                                 | 34762,19,16                             | 35365,93,17                              |
| iii) Shares                                                                   | 105133,88,56                            | 90652,83,35                              |
| iv) Debentures and Bonds                                                      | 285134,41,60                            | 269609,83,27                             |
| v) Subsidiary and Associates #,\$                                             | 16013,18,97                             | 14603,34,61                              |
| vi) Others (Units of Mutual Funds etc.)                                       | 49582,88,89                             | 47875,58,26                              |
| <b>TOTAL</b>                                                                  | <b>1847847,96,72</b>                    | <b>1719178,65,53</b>                     |
| <b>II. Investments outside India in:</b>                                      |                                         |                                          |
| i) Government Securities (including local authorities)                        | 34915,98,39                             | 24165,67,65                              |
| ii) Associates #                                                              | 176,02,39                               | 158,80,87                                |
| iii) Other Investments (Shares, Debentures, etc.)                             | 30167,88,14                             | 32986,75,83                              |
| <b>TOTAL</b>                                                                  | <b>65259,88,92</b>                      | <b>57311,24,35</b>                       |
| <b>GRAND TOTAL (I and II)</b>                                                 | <b>1913107,85,64</b>                    | <b>1776489,89,88</b>                     |
| <b>III. Investments in India:</b>                                             |                                         |                                          |
| i) Gross Value of Investments                                                 | 1863706,45,82                           | 1731051,89,01                            |
| ii) Less: Aggregate of Provisions/Depreciation                                | 15858,49,10                             | 11873,23,48                              |
| Net Investments (vide I above)                                                | <b>1847847,96,72</b>                    | <b>1719178,65,53</b>                     |
| <b>IV. Investments outside India:</b>                                         |                                         |                                          |
| i) Gross Value of Investments                                                 | 67114,39,22                             | 57458,70,66                              |
| ii) Less: Aggregate of Provisions/Depreciation                                | 1854,50,30                              | 147,46,31                                |
| Net Investments (vide II above)                                               | <b>65259,88,92</b>                      | <b>57311,24,35</b>                       |
| <b>GRAND TOTAL (III and IV)</b>                                               | <b>1913107,85,64</b>                    | <b>1776489,89,88</b>                     |
| <b># Investment in Associates (In India and Outside India)</b>                |                                         |                                          |
| Equity Investment in Associates                                               | 9969,61,06                              | 10215,12,19                              |
| Add: Goodwill on acquisition of Associates                                    | 286,07,51                               | 25,91,12                                 |
| Less: Capital reserve on acquisition of Associates                            | 917,06,12                               | 981,48,87                                |
| Less: Provision for diminution                                                | -                                       | -                                        |
| Cost of Investment in Associates                                              | <b>9338,62,45</b>                       | <b>9259,54,44</b>                        |
| Add: Post-acquisition profit/(loss) and Reserve of Associates (Equity Method) | 6846,58,91                              | 5498,61,05                               |
| <b>TOTAL</b>                                                                  | <b>16185,21,36</b>                      | <b>14758,15,49</b>                       |

\$ including Share Application Money

# SCHEDULES

forming part of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2023

## SCHEDULE 9 - ADVANCES

(000s omitted)

|                                                                               | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|-------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| <b>A.</b> i) Bills purchased and discounted                                   | 183065,47,36                            | 168552,97,29                             |
| ii) Cash credits, overdrafts and loans repayable on demand                    | 868417,22,37                            | 740936,12,49                             |
| iii) Term Loans                                                               | 2216419,43,00                           | 1884586,90,40                            |
| <b>TOTAL</b>                                                                  | <b>3267902,12,73</b>                    | <b>2794076,00,18</b>                     |
| <b>B.</b> i) Secured by tangible assets (includes advances against Book Debt) | 2161700,28,29                           | 1901776,92,33                            |
| ii) Covered by Bank/Government Guarantees                                     | 133206,97,67                            | 114844,70,33                             |
| iii) Unsecured                                                                | 972994,86,77                            | 777454,37,52                             |
| <b>TOTAL</b>                                                                  | <b>3267902,12,73</b>                    | <b>2794076,00,18</b>                     |
| <b>C. I) Advances in India</b>                                                |                                         |                                          |
| i) Priority Sector                                                            | 697644,43,51                            | 658546,87,83                             |
| ii) Public Sector                                                             | 258922,87,67                            | 167199,40,75                             |
| iii) Banks                                                                    | 512,50,14                               | 1536,43,37                               |
| iv) Others                                                                    | 1777189,17,67                           | 1519580,51,83                            |
| <b>TOTAL</b>                                                                  | <b>2734268,98,99</b>                    | <b>2346863,23,78</b>                     |
| <b>II) Advances outside India</b>                                             |                                         |                                          |
| i) Due from banks                                                             | 152095,52,24                            | 119514,35,15                             |
| ii) Due from others                                                           |                                         |                                          |
| a) Bills purchased and discounted                                             | 42531,12,88                             | 35345,80,07                              |
| b) Syndicated loans                                                           | 223887,33,49                            | 196311,75,75                             |
| c) Others                                                                     | 115119,15,13                            | 96040,85,43                              |
| <b>TOTAL</b>                                                                  | <b>533633,13,74</b>                     | <b>447212,76,40</b>                      |
| <b>GRAND TOTAL [C (I) and C (II)]</b>                                         | <b>3267902,12,73</b>                    | <b>2794076,00,18</b>                     |

## SCHEDULE 10 - FIXED ASSETS

(000s omitted)

|                                                                                  | As at 31.03.2023<br>(Current Year)<br>₹ |             | As at 31.03.2022<br>(Previous Year)<br>₹ |             |
|----------------------------------------------------------------------------------|-----------------------------------------|-------------|------------------------------------------|-------------|
| <b>I. Premises (including Revalued Premises)</b>                                 |                                         |             |                                          |             |
| At cost/revalued as at 31 <sup>st</sup> March of the preceding year              | 31336,60,87                             |             | 31130,03,43                              |             |
| Additions:                                                                       |                                         |             |                                          |             |
| - during the year                                                                | 37,83,52                                |             | 226,53,68                                |             |
| - for Revaluation                                                                | 6407,26,03                              |             | -                                        |             |
| Deductions:                                                                      |                                         |             |                                          |             |
| - during the year                                                                | 6,81,67                                 |             | 4,46,02                                  |             |
| - for Revaluation                                                                | 1828,91,10                              |             | 15,50,22                                 |             |
| Depreciation to date:                                                            |                                         |             |                                          |             |
| - on cost                                                                        | 1317,07,16                              |             | 1168,76,60                               |             |
| - on Revaluation                                                                 | 1228,86,53                              | 33400,03,96 | 1028,90,79                               | 29138,93,48 |
| <b>IA. Premises under construction</b>                                           | 317,54,60                               |             | 252,96,55                                |             |
| <b>II. Other Fixed Assets (including furniture and fixtures)</b>                 |                                         |             |                                          |             |
| At cost/revalued as at 31 <sup>st</sup> March of the preceding year              | 41202,17,83                             |             | 38991,32,27                              |             |
| Additions during the year                                                        | 3771,90,49                              |             | 2952,36,16                               |             |
| Deductions during the year                                                       | 796,82,09                               |             | 741,50,60                                |             |
| Depreciation to date                                                             | 33883,53,97                             | 10293,72,26 | 31339,27,63                              | 9862,90,20  |
| <b>IIA. Leased Assets</b>                                                        |                                         |             |                                          |             |
| At cost/revalued as at 31 <sup>st</sup> March of the preceding year              | 397,94,02                               |             | 288,85,63                                |             |
| Additions during the year                                                        | 178,41,34                               |             | 126,36,17                                |             |
| Deductions during the year                                                       | 70,45,09                                |             | 17,27,78                                 |             |
| Depreciation to date (including provisions)                                      | 175,85,03                               |             | 170,27,88                                |             |
|                                                                                  | 330,05,24                               |             | 227,66,14                                |             |
| Less : Lease Adjustment Account                                                  | -                                       | 330,05,24   | -                                        | 227,66,14   |
| <b>TOTAL (I, IA,II and IIA)</b>                                                  | <b>44341,36,06</b>                      |             | <b>39482,46,37</b>                       |             |
| <b>III. Capital Work-in progress (including Leased Assets) net of Provisions</b> | 66,02,04                                |             | 27,56,68                                 |             |
| <b>TOTAL (I, IA, II, IIA and III)</b>                                            | <b>44407,38,10</b>                      |             | <b>39510,03,05</b>                       |             |

# SCHEDULES

forming part of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2023

## SCHEDULE 11 - OTHER ASSETS

(000s omitted)

|                                                            | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| I. Inter Office adjustments (net)                          | -                                       | -                                        |
| II. Inter Bank Adjustments (net)                           | -                                       | -                                        |
| III. Interest accrued                                      | 43381,20,67                             | 37043,85,65                              |
| IV. Tax paid in advance/tax deducted at source             | 16889,73,62                             | 22650,12,52                              |
| V. Deferred Tax Assets (net)                               | 11136,38,22                             | 6745,22,82                               |
| VI. Stationery and Stamps                                  | 65,02,79                                | 59,06,04                                 |
| VII. Non-banking assets acquired in satisfaction of claims | 99,23                                   | 11,52,34                                 |
| VIII. Deposits placed with NABARD/ SIDBI/ NHB              | 218591,19,47                            | 195618,29,52                             |
| IX. Goodwill on consolidation                              | 1538,36,27                              | 1550,02,47                               |
| X. Others                                                  | 119086,13,99                            | 88224,36,30                              |
| <b>TOTAL</b>                                               | <b>410689,04,26</b>                     | <b>351902,47,66</b>                      |

## SCHEDULE 12 - CONTINGENT LIABILITIES

(000s omitted)

|                                                                          | As at 31.03.2023<br>(Current Year)<br>₹ | As at 31.03.2022<br>(Previous Year)<br>₹ |
|--------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|
| I. Claims against the group not acknowledged as debts                    | 90987,81,73                             | 86519,11,42                              |
| II. Liability for partly paid investments/Venture Funds                  | 2400,05,44                              | 2773,96,99                               |
| III. Liability on account of outstanding forward exchange contracts      | 1041453,84,63                           | 1213429,79,26                            |
| IV. Guarantees given on behalf of constituents                           |                                         |                                          |
| a) In India                                                              | 165126,25,47                            | 166528,97,91                             |
| b) Outside India                                                         | 105405,64,27                            | 95727,54,21                              |
| V. Acceptances, endorsements and other obligations                       | 152189,82,54                            | 171892,93,33                             |
| VI. Other items for which the group is contingently liable <sup>\$</sup> | 277960,94,11                            | 270360,15,88                             |
| <b>TOTAL<sup>#</sup></b>                                                 | <b>1835524,38,19</b>                    | <b>2007232,49,00</b>                     |

<sup>\$</sup> includes Derivatives ₹261767,19,24 thousand (Previous Year ₹259688,85,67 thousand)

<sup>#</sup> ₹1,49,15 thousand (Previous Year ₹1,91,46 thousand) pertains to share in contingent liability of Joint Ventures

# State Bank of India

Consolidated Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

|                                                                                                     |              | (000s omitted)                                                   |                                                                   |
|-----------------------------------------------------------------------------------------------------|--------------|------------------------------------------------------------------|-------------------------------------------------------------------|
|                                                                                                     | Schedule No. | Year ended<br>31 <sup>st</sup> March 2023<br>(Current Year)<br>₹ | Year ended<br>31 <sup>st</sup> March 2022<br>(Previous Year)<br>₹ |
| <b>I. INCOME</b>                                                                                    |              |                                                                  |                                                                   |
| Interest earned                                                                                     | 13           | 350844,58,01                                                     | 289972,68,60                                                      |
| Other Income                                                                                        | 14           | 122533,56,11                                                     | 117000,40,37                                                      |
| <b>TOTAL</b>                                                                                        |              | <b>473378,14,12</b>                                              | <b>406973,08,97</b>                                               |
| <b>II. EXPENDITURE</b>                                                                              |              |                                                                  |                                                                   |
| Interest expended                                                                                   | 15           | 189980,81,67                                                     | 156194,34,41                                                      |
| Operating expenses                                                                                  | 16           | 189814,48,59                                                     | 174363,42,58                                                      |
| Provisions and contingencies                                                                        |              | 37024,40,87                                                      | 40059,14,84                                                       |
| <b>TOTAL</b>                                                                                        |              | <b>416819,71,13</b>                                              | <b>370616,91,83</b>                                               |
| <b>III. PROFIT</b>                                                                                  |              |                                                                  |                                                                   |
| Net Profit for the year (before adjustment for Share in Profit of Associates and Minority Interest) |              | 56558,42,99                                                      | 36356,17,14                                                       |
| Add: Share in Profit/(Loss) of Associates                                                           |              | 1191,45,21                                                       | 827,01,33                                                         |
| Less: Minority Interest                                                                             |              | 2101,70,92                                                       | 1809,30,49                                                        |
| Net Profit for the Group                                                                            |              | 55648,17,28                                                      | 35373,87,98                                                       |
| Add: Profit/(Loss) Brought forward                                                                  |              | 20394,35,05                                                      | 8096,54,12                                                        |
| <b>TOTAL</b>                                                                                        |              | <b>76042,52,33</b>                                               | <b>43470,42,10</b>                                                |
| <b>IV. APPROPRIATIONS</b>                                                                           |              |                                                                  |                                                                   |
| Transfer to Statutory Reserve                                                                       |              | 15370,39,97                                                      | 9769,02,69                                                        |
| Transfer to Capital Reserve                                                                         |              | 232,80,84                                                        | 538,15,24                                                         |
| Transfer to Investment Fluctuation Reserve                                                          |              | 4575,43,43                                                       | 4647,87,02                                                        |
| Transfer to Revenue and Other Reserves                                                              |              | 3854,26,53                                                       | 1783,68,04                                                        |
| Final Dividend for the year                                                                         |              | 10084,81,15                                                      | 6336,47,42                                                        |
| Tax on Dividend                                                                                     |              | 150,13                                                           | 86,64                                                             |
| Balance carried over to Balance Sheet                                                               |              | 41923,30,28                                                      | 20394,35,05                                                       |
| <b>TOTAL</b>                                                                                        |              | <b>76042,52,33</b>                                               | <b>43470,42,10</b>                                                |
| <b>V. EARNINGS PER EQUITY SHARE (Face value ₹ 1 per share)</b>                                      |              |                                                                  |                                                                   |
| Basic (in ₹)                                                                                        |              | 62.35                                                            | 39.64                                                             |
| Diluted (in ₹)                                                                                      |              | 62.35                                                            | 39.64                                                             |
| Significant Accounting Policies                                                                     | 17           |                                                                  |                                                                   |
| Notes to Accounts                                                                                   | 18           |                                                                  |                                                                   |

Schedules referred to above form an integral part of the Profit & Loss Account

**Shri Alok Kumar Choudhary**  
Managing Director  
(Retail Business & Operations)

**Shri Ashwini Kumar Tewari**  
Managing Director  
(Risk, Compliance & SARG)

**Shri Swaminathan J.**  
Managing Director  
(Corporate Banking & Subsidiaries)

**Shri Challa Sreenivasulu Setty**  
Managing Director  
(International Banking, Global Markets & Technology)

In terms of our Report of even date  
**For K C Mehta & Co LLP**  
Chartered Accountants  
Firm Regn. No. 106237W/W100829

**Shri Dinesh Kumar Khara**  
Chairman

**Shri Chirag Bakshi**  
Partner  
Membership No. 047164

**Place: Mumbai**  
**Date: 18<sup>th</sup> May 2023**

# SCHEDULES

forming part of the Consolidated Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

## SCHEDULE 13 - INTEREST EARNED

(000s omitted)

|                                                                                 | Year ended<br>31.03.2023<br>(Current Year)<br>₹ | Year ended<br>31.03.2022<br>(Previous Year)<br>₹ |
|---------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Interest/ discount on advances/ bills                                        | 228740,74,65                                    | 177474,83,13                                     |
| II. Income on Investments                                                       | 106824,85,28                                    | 93477,89,84                                      |
| III. Interest on balances with Reserve Bank of India and other inter-bank funds | 3916,45,69                                      | 4608,34,99                                       |
| IV. Others                                                                      | 11362,52,39                                     | 14411,60,64                                      |
| <b>TOTAL</b>                                                                    | <b>350844,58,01</b>                             | <b>289972,68,60</b>                              |

## SCHEDULE 14 - OTHER INCOME

(000s omitted)

|                                                                                            | Year ended<br>31.03.2023<br>(Current Year)<br>₹ | Year ended<br>31.03.2022<br>(Previous Year)<br>₹ |
|--------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Commission, exchange and brokerage                                                      | 25913,29,95                                     | 24549,32,06                                      |
| II. Profit/(Loss) on sale of investments (Net)                                             | 5158,08,59                                      | 6375,64,61                                       |
| III. Profit/(Loss) on revaluation of investments (Net)                                     | (4922,60,98)                                    | (445,73,69)                                      |
| IV. Profit/(Loss) on sale of land, building and other assets including leased assets (Net) | (29,03,16)                                      | (16,40,47)                                       |
| V. Profit/(Loss) on exchange transactions (Net)                                            | 5385,45,63                                      | 3530,17,97                                       |
| VI. Dividends from Associates in India/abroad                                              | 2,66,25                                         | 3,19,50                                          |
| VII. Credit Card membership/service fees                                                   | 6800,41,06                                      | 5269,67,80                                       |
| VIII. Insurance Premium Income (net)                                                       | 70751,51,78                                     | 62188,03,44                                      |
| IX. Recoveries made in Write-off Accounts                                                  | 7728,67,19                                      | 8286,78,94                                       |
| X. Miscellaneous Income                                                                    | 5745,09,80                                      | 7259,70,21                                       |
| <b>TOTAL</b>                                                                               | <b>122533,56,11</b>                             | <b>117000,40,37</b>                              |

## SCHEDULE 15 - INTEREST EXPENDED

(000s omitted)

|                                                              | Year ended<br>31.03.2023<br>(Current Year)<br>₹ | Year ended<br>31.03.2022<br>(Previous Year)<br>₹ |
|--------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Interest on Deposits                                      | 163518,78,32                                    | 141765,28,30                                     |
| II. Interest on Reserve Bank of India/ Inter-bank borrowings | 18317,50,75                                     | 7751,72,68                                       |
| III. Others                                                  | 8144,52,60                                      | 6677,33,43                                       |
| <b>TOTAL</b>                                                 | <b>189980,81,67</b>                             | <b>156194,34,41</b>                              |



## SCHEDULE 16 - OPERATING EXPENSES

(000s omitted)

|                                                                                 | Year ended<br>31.03.2023<br>(Current Year)<br>₹ | Year ended<br>31.03.2022<br>(Previous Year)<br>₹ |
|---------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| I. Payments to and provisions for employees #                                   | 61920,91,12                                     | 61445,12,63                                      |
| II. Rent, taxes and lighting                                                    | 6103,05,83                                      | 5707,73,68                                       |
| III. Printing and Stationery                                                    | 810,68,23                                       | 709,90,76                                        |
| IV. Advertisement and publicity                                                 | 3419,26,91                                      | 2693,92,63                                       |
| V. a) Depreciation on Fixed Assets (other than Leased Assets)                   | 3644,79,49                                      | 3652,67,77                                       |
| b) Depreciation on Leased Assets                                                | 50,80,37                                        | 38,59,23                                         |
| VI. Directors' fees, allowances and expenses                                    | 13,18,37                                        | 12,82,78                                         |
| VII. Auditors' fees and expenses (including branch auditors' fees and expenses) | 284,82,75                                       | 283,56,85                                        |
| VIII. Law charges                                                               | 516,43,62                                       | 448,57,06                                        |
| IX. Postages, Telegrams, Telephones, etc.                                       | 766,06,89                                       | 710,44,57                                        |
| X. Repairs and maintenance                                                      | 1305,59,44                                      | 1219,04,35                                       |
| XI. Insurance                                                                   | 5340,69,01                                      | 4799,96,54                                       |
| XII. Other Operating Expenses relating to Credit Card Operations                | 3876,89,74                                      | 2945,50,71                                       |
| XIII. Other Operating Expenses relating to Insurance Business                   | 78227,18,14                                     | 69706,73,54                                      |
| XIV. Other Expenditure                                                          | 23534,08,68                                     | 19988,79,48                                      |
| <b>TOTAL</b>                                                                    | <b>189814,48,59</b>                             | <b>174363,42,58</b>                              |

# Payment to and provisions for employees includes exceptional item of ₹ Nil (Previous Year ₹7418,39,00 thousand) for enhancement in Family Pension under 11th Bipartite Settlement and Joint Note dated 11<sup>th</sup> November 2020

# SCHEDULES

forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

## SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES

### A. Background:

State Bank of India ('SBI' or 'the Bank') is a banking and financial services statutory body engaged in providing a wide range of products and services to individuals, commercial enterprises, large corporates, public bodies, and institutional customers. The Bank is governed by the Banking Regulation Act, 1949 and the State Bank of India Act, 1955.

State Bank of India Group ('SBI Group' or 'the Group') consists of SBI, 27 Subsidiaries, 8 Joint ventures (including Jio Payments Bank Ltd upto January 22, 2023) and 19 Associates.

Following are the Significant Accounting Policies of SBI Group i.e. the specific accounting principles and methods of applying these principles in the preparation and presentation of consolidated financial statements of SBI.

### B. Basis of Preparation:

The accounting and reporting policies of the SBI Group conform to Generally Accepted Accounting Principles in India (Indian GAAP), comprising of regulatory norms, directions & guidelines prescribed by the Reserve Bank of India (RBI), statutory guidelines of the State Bank of India Act, 1955, the Banking Regulation Act, 1949, Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA), SEBI (Mutual Funds) Regulations, 1996, Companies Act 2013, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and the accounting practices prevalent in India.

In case of foreign entities, Generally Accepted Accounting Principles as applicable to the foreign entities are followed.

The Bank's consolidated financial statements are prepared under the historical cost convention, with fundamental accounting assumptions of going concern, consistency, and accrual, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with guidelines issued by RBI and requirements under the Third Schedule of the Banking Regulation Act, 1949.

### C. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

### D. Basis of Consolidation:

#### 1. Consolidated financial statements of the SBI Group includes:

- a) Financial statements of State Bank of India (Parent).
- b) Line by line aggregation of each item of asset/ liability/ income/ expense of the subsidiaries with the respective item of the Parent. Elimination of all material intra-group balances/transactions and resulting unrealised gains and adjustments required for non-uniform accounting policies as per AS 21 "Consolidated Financial Statements" issued by the ICAI.
- c) Proportionate share of asset/ liability/ income/ expense of the joint venture entities are consolidated as per AS 27 "Financial Reporting of Interests in Joint Ventures" issued by the ICAI.
- d) Accounting for investment in 'Associates' under the 'Equity Method' as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI.

#### 2. The difference between cost to the group of its investment in the subsidiary entities and the group's portion of the equity of the subsidiaries is recognized in the financial statements as goodwill/capital reserve.

#### 3. Minority interest in the net assets of the consolidated subsidiaries consists of:

- a) The amount of equity attributable to the minority shareholders at the date on which the investment in the equity shares of the subsidiary is made, and
- b) The minority share of movements in revenue reserves/loss (equity) since the date the parent-subsidiary relationship came into existence.

## E. Significant Accounting Policies

### 1. Revenue recognition:

- 1.1 Income and expenditure are accounted on accrual basis, except otherwise stated.
- 1.2 Interest/Discount income is recognized, in the Profit and Loss Account, on realisation basis for the following:
  - a) Income from Non-Performing Assets (NPAs) including investments, as per the prudential norms prescribed by the RBI/ respective country regulators in the case of foreign offices/ entities (hereafter collectively referred to as Regulatory Authorities),
  - b) Income on Rupee Derivatives designated as "Trading".
- 1.3 In accordance with the guidelines issued by the Reserve Bank of India, Profit on sale of investments held in the "Held to Maturity" category of the Bank and on sale of Fixed Assets held by the Bank is appropriated to Capital Reserve, net of applicable taxes and amount required to be transferred to Statutory Reserve.

The discount, if any, on acquisition of investments in Held to Maturity (HTM) category is accounted as follows:

  - a) on Interest bearing securities, it is accounted for at the time of sale/redemption.
  - b) on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.
- 1.4 Dividend income is recognized when the right to receive the dividend is established.
- 1.5 Commission on Letter of Credit (LC)/Bank Guarantee (BG), Deferred Payment Guarantee, Government Business, ATM interchange fee & "Upfront fee on restructured account" are recognized on accrual basis proportionately over the period. All other commission and fee income are accounted on their realisation.
- 1.6 One time Insurance Premium paid under Special Home Loan Scheme (December 2008 to June 2009) is amortised over the average loan period of 15 years.
- 1.7 Brokerage, Commission etc. paid/ incurred in connection with the issue of Bonds/ Deposits are amortised over the tenure of the related Bonds/ Deposits and the expenses incurred in connection with the issue are charged upfront.
- 1.8 The Bank derecognizes its financial assets when it sells to Securitisation Company (SC)/ Reconstruction Company (RC), and accounts for as under:
  - i) If the sale is at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale.
  - ii) If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received.
- 1.9 Issue management fees and advisory fees, in case of Group's merchant banking business, are recognized as per the terms of the agreement with the customer/client. The fee income is recognized only when the milestone defined in the agreement is executed/completed.
  - 1.9.1 Fees for private placement are recognized on completion of assignments.
  - 1.9.2 Brokerage income in relation to stock broking activity is recognized on the trade date of transaction and includes stamp duty, transaction charges and is net of incentives paid on scheme.
  - 1.9.3 Commission relating to public issues is accounted for on finalisation of allotment of the public issue/receipt of information from intermediary.
  - 1.9.4 Brokerage income relating to public issues/ mutual fund/ other securities is accounted for based on mobilisation and intimation received from clients/ intermediaries.
  - 1.9.5 Depository income – Annual Maintenance Charges are recognized on accrual basis and transaction charges are recognized on trade date of transaction.
- 1.10 Management fee, in case of Group's asset management business, is recognized at specific rates agreed with the relevant schemes, applied

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on the average daily net assets of each scheme (excluding inter-scheme investments, wherever applicable, investments made by the Company in the respective scheme and deposits with Banks), and are in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.

1.10.1 Portfolio Advisory Services, Portfolio Management Services and Management Fees on Alternative Investment Funds (AIF) are recognized on accrual basis as per the terms of the contract.

1.10.2 Recovery, if any, on realisation of devolved investments of schemes acquired by the Company, in terms of the right of subrogation, is accounted based on receipts. Recovery from funded guarantee schemes is recognized as income in the year of receipt.

1.10.3 Expenses of schemes in excess of the stipulated rates and expenses relating to new fund offer are charged to the Profit and Loss Account in the year in which they are incurred in accordance with the requirements of SEBI (Mutual Funds) Regulations, 1996.

1.10.4 Brokerage and/or incentive paid on investments in open-ended Equity Linked Tax Saving Schemes and Systematic Investment Plans (SIPs) are amortised over a period of 36 months and in case of other schemes, over the claw back period. In case of close-ended schemes, brokerage is amortised over the tenure of schemes.

1.11 Income earned from provision of membership services, in case of Group's credit card business, is recognized as revenue over the membership period consisting of 12 months at fair value of consideration net of expected reversals/cancellations.

1.11.1 Other service revenue consists of value-add services provided to the card holders. Other service revenues are recognized in the same period in which related transactions occur or services rendered.

1.11.2 Interchange fees are collected from acquirers and paid to issuers by network

partners to reimburse the issuers for portion of the costs incurred for providing services that benefit all participants in the system, including acquirers and merchants. Revenue from interchange income is recognized when related transaction occurs, or service is rendered.

1.11.3 The total unidentified receipts which could not be credited or adjusted in the customers' accounts for lack of complete & correct information is considered as liability in Balance Sheet. The estimated unidentified receipts aged more than 6 months and up to 3 years towards the written off customers is written back as income on Balance Sheet date. Further, the unresolved unidentified receipts aged more than 3 years are also written back as income on Balance Sheet date. The liability for stale cheques aged for more than three years is written back as income.

1.11.4 All other service income/fees are recorded at the time of occurrence of the respective events.

1.12 Factoring charges, in case of Group's factoring business, are accrued on factoring of debts at the applicable rates as decided by the Company. Processing fees are recognized as income only when there is reasonable certainty of its receipt after execution of documents. Facility Continuation fees (FCF) are calculated and charged in the month of May for the entire next financial year on all live standard accounts. 1<sup>st</sup> of May is deemed as date for accrual of the FCF.

1.13 Premium, in case of Group's life insurance business, of non-linked business is recognized as income (net of goods and service tax) when due from policyholders. In respect of linked business, premium income is recognized when the associated units are allotted. In case of variable insurance products (VIPs), premium income is recognized on the date when the Policy Account Value is credited. Uncollected premium from lapsed policies is not recognized as income until such policies are revived.

1.13.1 Top-up premiums are considered as single premium.

1.13.2 Income from linked funds which includes fund management charges, policy administration charges, mortality charges, etc. are recovered from linked fund in accordance with terms and conditions of policy and recognized when recovered.

1.13.3 Realised gains and losses in respect of equity securities, units of mutual funds, Equity Exchange Traded funds (ETFs), Infrastructure Investment Trusts (InvITs) and Real Estate Investments Trusts (REITs) are calculated as the difference between the net sales proceeds and their cost. In respect of debt securities, the realised gains and losses are calculated as the difference between net sale proceeds or redemption proceeds and weighted average amortised cost. Cost in respect of equity shares, units of mutual fund Equity Exchange Traded funds (ETFs), Infrastructure Investment Trusts (InvITs) and Real Estate Investments Trusts (REITs) are computed using the weighted average method.

1.13.4 Fees received on lending of equity shares under Securities lending and borrowing scheme (SLB) is recognized as income over the period of the lending on straight-line basis.

1.13.5 Premium ceded on reinsurance is accounted in accordance with the terms of the re-insurance treaty or in-principle arrangement with the re-insurer.

1.13.6 Benefits paid:

- Claims cost consist of the policy benefit amounts and claims settlement costs, where applicable.
- Claims by death and rider are accounted when intimated. Intimations up to the end of the period are considered for accounting of such claims.
- Claims by maturity are accounted on the policy maturity date.
- Survival and Annuity benefits claims are accounted when due.

- Surrenders and withdrawals are accounted as and when intimated. Benefits paid also includes amount payable on lapsed policies which are accounted for as and when due. Surrenders, withdrawals and lapsation are disclosed at net of charges recoverable.
- Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims.
- Amounts recoverable from re-insurers are accounted for in the same period as the related claims and are reduced from claims.

1.13.7 Acquisition costs such as commission, medical fees, etc. are costs that are primarily related to the acquisition of new and renewal insurance contracts. The same are expensed in the period in which they are incurred.

1.13.8 **Liability for life policies:** The actuarial liability of all the life insurance policies has been calculated by the Appointed Actuary in accordance with the Insurance Act, 1938, and as per the rules and regulations and circulars issued by IRDAI from time to time and the relevant Guidance Notes and/or Actuarial Practice Standards (APS) issued by the Institute of Actuaries of India.

1.13.9 **Funds for future appropriation**

For non-linked participating business, the balance in the funds for future appropriations account represents funds, the allocation of which, either to participating policyholders' or to shareholders', has not been determined at the Balance Sheet date. Transfers to and from the fund reflect the excess or deficit of income over expenses and appropriations in each accounting period arising in the Company's policyholders' fund. In respect of participating policies any allocation to the policyholder would also give rise to a shareholder transfer in the required proportion.

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The fund for future appropriations held in the unit-linked funds, represents surplus that has arisen from lapsed policies unlikely to be revived. This surplus is required to be held within the policyholders' fund till the point at which the policyholders' can no longer revive their policy.

1.14 Premium including reinsurance accepted (net of goods & service tax), in case of Group's general insurance business, is recognized in the books at the commencement of risk over the contract period or the period of risk, whichever is appropriate. In case the premium is recovered in instalments, amount to the extent of instalment due is recorded on the due date of the instalment. Premium (net of goods & service tax), including reinstatement premium, on direct business and reinsurance accepted, is recognized as income over the contract period or the period of risk, whichever is appropriate, on a gross basis under 1/365 method. In case of long-term motor insurance policies premium is recognized on a yearly basis as mandated by IRDAI. Any subsequent revision to premium is recognized over the remaining period of risk or contract period. Adjustments to premium income arising on cancellation of policies are recognized in the period in which they are cancelled.

1.14.1 Commission on reinsurance ceded is recognized as income in the period in which reinsurance risk is ceded. Profit commission under re-insurance treaties, wherever applicable, is recognized as income in the year of final determination of the profits as intimated by Reinsurer and combined with commission on reinsurance ceded.

Sliding scale commission under reinsurance treaties, wherever applicable, is recognized as income as per the reinsurance treaty conditions as confirmed by reinsurers and combined with commission on reinsurance ceded.

1.14.2 In respect of proportional reinsurance ceded, the cost of reinsurance ceded is accrued at the commencement of risk over the contract period or the period of risk. Non-proportional reinsurance cost is recognized when due. Non-proportional reinsurance

cost is accounted as per the terms of the reinsurance arrangements. Any subsequent revision to, refunds or cancellations of premiums is recognized in the period in which they occur.

1.14.3 Reinsurance inward acceptances are accounted for on the basis of returns, to the extent received, from the insurers.

1.14.4 Acquisition costs are expensed in the period in which they are incurred. Acquisition costs are defined as costs that vary with, and are primarily related to the acquisition of new and renewal insurance contracts viz. commission. The primary test for determination as acquisition cost is the obligatory relationship between the costs and the execution of the insurance contracts (i.e. commencement of risk). In case of long-term motor insurance policies commission is expensed at the applicable rates on the premium allocated for the year as mandated by IRDAI.

1.14.5 Premium Received in Advance which represents premium received prior to the commencement of the risk is shown separately under the head "Other Liabilities and Provision" in the financial statements and is recorded as income on the date of commencement of risk.

Reserve for Unexpired risk is that part of the net premium written (i.e. premium net of reinsurance ceded) that is attributable to, and to be allocated to succeeding accounting periods on contract period basis or risk period basis, whichever is appropriate. Such reserves are calculated on a pro-rata basis under 1/365 basis, subject to minimum reserve requirements as per Circular No. IRDA/F&A/CIR/CPM/056/03/2016 dated 4<sup>th</sup> April 2016.

1.14.6 If the ultimate amount of expected net claim costs (as calculated and certified by the Actuary), related expenses and maintenance costs (related to claims handling) in respect of unexpired risks at the end of the accounting period exceeds



the sum of related premium carried forward to the subsequent accounting period as the reserve for unexpired risk, the same is recognized as premium deficiency.

Premium deficiency is calculated on annual basis and at the Company level.

1.14.7 Claim is recognized as and when a loss occurrence is reported. Claim is recognized by creation of provision for the amount of claim payable as estimated by the management based on available information and past experience, on receipt of claim notification. Such provision is reviewed/modified as appropriate on the basis of additional information as and when available. Amounts received/receivable from the re-insurers/co-insurers, under the terms of the reinsurance and coinsurance arrangements respectively, is recognized together with the recognition of claim. Provision for claims outstanding payable as on the date of Balance Sheet is net of reinsurance, salvage value and other recoveries as estimated by the management. Claims paid (net of recoveries including value of salvage retained by the insured and interest, if any, paid on the claims) is charged to the profit & loss account when approved for payment. Where salvage is taken over by the Company, the recoveries from sale of salvage are recognized at the time of such sale.

1.14.8 Provision in respect of claim liabilities that may have been incurred before the end of the accounting year but are

- not yet reported or claimed (IBNR) or
- not enough reported i.e. reported with information insufficient for making a reasonable estimate of likely claim amount (IBNER),

The provision is made according to the amount determined by the Appointed Actuary based on actuarial principles in accordance with the Actuarial Practice Standards and Guidance Notes issued by the Institute of Actuaries of India and IRDAI regulations and guidelines.

1.15 The revenue (net of goods & service tax), in case of Group's custody & fund accounting services, is recognized only when it can be reliably measured and it is probable that the economic benefits will flow to the Company. Custody fees, fund accounting fees and referral fees are accounted on accrual basis as per the agreed terms of agreement.

1.16 Management fee, in case of Group's pension fund business, is recognized at specific rates agreed with the relevant schemes, applied on daily net assets of each scheme, and is in conformity with the regulatory guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA). Commission income from Point of Presence (POP) Business i.e. Account opening fees and contribution processing fees are recognized on the basis of contributions received from subscribers and generation of Permanent Retirement Account Number (PRAN). The Company presents revenues net of goods and service tax in profit and loss account.

1.17 Mutual Fund Trusteeship fee, in case of Group's trusteeship business, is recognized at specific rates agreed with relevant schemes, applied on the average daily Net Assets of each scheme (excluding inter-scheme investment, investment in fixed deposits, investments made by the Asset Management Company and deferred revenue expenses, where applicable), and is in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996.

1.17.1 Corporate Trusteeship Acceptance fees are recognized on the acceptance or execution of trusteeship assignment whichever is earlier. Corporate Trusteeship service charges are recognized/ accrued based on terms of trusteeship contracts/ agreements entered into with clients.

1.17.2 Income from online "will" services is recognized when the right to receive the fee is established, as all certainty for revenue recognition is present at the time of establishment of such right.

1.18 The revenue, in case of Group's merchant acquiring business, is measured on basis of consideration received or receivable for the services provided,

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excluding discounts, GST and other applicable taxes and are recognized upon performance of services.

1.18.1 The revenue from deployment of POS is recognized either over the period during which the service is rendered or on basis of the number of transactions processed during the period in accordance with the rates and conditions specified in the agreements. Based on the contract terms, the merchant makes payment for merchant discount rate (MDR), monthly rental and commitment charges and the same is treated as revenue from operation.

1.18.2 Income received but not accrued on account of maintenance deployment contract are recognized as deferred revenue and included in liabilities until the revenue recognition criteria are met. Income accrued but not billed represents revenue recognized on work performed but billed in subsequent period, in accordance with terms of the contract.

1.18.3 Revenue is recognized to the extent it is probable that the economic benefits will flow, and the revenue can be reliably measured.

## 2. Investments:

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation, as given below:

### 2.1 Classification:

As per RBI guidelines, investments are classified into Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) categories.

For disclosure in Balance Sheet, the investments are classified as Investments in India and outside India.

- Under each category, the investments in India are further classified as (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Subsidiaries and Associates and (vi) Others. The Investments outside India are classified under three categories – (i) Government

Securities, (ii) Subsidiaries and/or joint Ventures abroad and (iii) Other Investments.

### 2.2 Basis of classification:

- Investments that the Bank intends to hold till maturity are categorised as "Held to Maturity (HTM)".
- Investments that are held principally for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)".
- Investments, which are not classified in the above two categories, are classified as "Available for Sale (AFS)".
- An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.
- Investments in associates are classified as HTM except in respect of those investments which are acquired and held exclusively with a view to its subsequent disposal. These investments are classified as AFS.

### 2.3 Valuation:

- The transactions in all securities are recorded on a Settlement Date. Cost of investment under AFS and HFT category is determined at the weighted average cost method by the group entities and cost of investments under HTM category is determined on FIFO basis (first in first out) by SBI and weighted average cost method by other group entities.
  - Brokerage/commission received on subscriptions is reduced from the cost. Brokerage, commission, securities transaction tax, etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
  - Broken period interest paid/received on debt instruments is treated as interest expense/income and is excluded from cost/sale consideration.



**ii. Valuation of investments classified as Held to Maturity:**

- a) Investments under Held to Maturity category are carried at acquisition cost. The premium paid on acquisition, if any, is amortised over the term to maturity on constant yield basis. Such amortisation of premium is accounted as income on investments.
- b) A provision is made for diminution, other than temporary, for each investment individually.
- c) Investments in Regional Rural Banks (RRBs) are valued at equity cost determined in accordance with AS 23 of the ICAI.

**iii. Valuation of investments classified as Available for Sale and Held for Trading:**

Investments held under Available for Sale and Held for Trading are individually revalued at market price or fair value determined as per the regulatory guidelines and the net depreciation, if any, of each group for each category (viz., (i) Government securities (ii) Other Approved Securities (iii) Shares (iv) Debentures & Bonds (v) Subsidiaries and Associates; and (vi) others) is provided for and net appreciation is ignored.

**iv. Valuation policy in event of inter category transfer of investments:**

- a) Transfer of securities from HFT / AFS category to HTM category is carried out at the lower of acquisition cost/ book value/market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for.
- b) Transfer of securities from HTM category to AFS category is carried out on acquisition price/book value. On transfer, these securities are immediately revalued and resultant depreciation, if any, in the Profit and Loss Account.

**v. Valuation in case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts:**

- a) The investment in security receipts obtained by way of sale of NPA to SC/ RC, is recognized at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR.
  - b) SRs issued by an SC/ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ARC, is reckoned for valuation of such investments.
- vi. Treasury Bills and Commercial Papers are valued at carrying cost.

**2.4 Investments (NPI)**

- i. In respect of domestic offices/entities, based on the guidelines issued by RBI, investments are classified as performing and non-performing as follows:
  - a) Interest/instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.
  - b) In the case of equity shares, in the event the investment in the shares of any company is valued at ₹1 per company on account of the non-availability of the latest Balance Sheet, those equity shares would be reckoned as NPI.
  - c) The Bank also classifies an investment as a non-performing investment, in case any credit facility availed by the same borrower/entity has been classified as a non-performing asset and vice versa. The above is applied to Preference Shares where the fixed dividend is not paid.

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- d) The investments in debentures/bonds, which are deemed to be advance, are also subjected to NPI norms as applicable to investments.
- ii. In respect of foreign offices/entities, classification and provisions for non-performing investments (NPIs) are made as per the local regulations or as per the norms of RBI, whichever is more prudent.

## 2.5 Accounting for Repo/Reverse Repo transactions

The Bank enters Repurchase and Reverse Repurchase Transactions with RBI under Liquidity Adjustment Facility (LAF) and with market participants. Repurchase Transaction represents borrowing by selling the securities with an agreement to repurchase the securities. Reverse Repo Transactions on the other hand, represent lending funds by purchasing the securities.

- a. Transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Collateralized Lending and Borrowing transactions.
- b. In Repo and Reverse Repo transaction, securities sold (purchased) and repurchased (resell) are accounted as normal outright sale (purchase) transactions and such movement of securities is reflected using the Repo/Reverse Repo Accounts and contra entries. The above entries are reversed on the date of maturity.
- c. Balance in Repo Account is classified under Schedule 4 (Borrowings).
- d. All type of Reverse Repos with RBI including those under Liquidity Adjustment Facility are presented under sub item (ii) 'In Other Accounts' of item (II) Balances with RBI under Schedule 6 'Cash and balances with RBI'.
- e. Reverse Repos with banks and other institutions having original tenors up to and inclusive of 14 days are classified as 'Money at call and short notice' under Schedule 7 'Balance with Banks and Money at call & short notice'. Reverse Repos with original maturity more than 14 days but up to 1 year

are classified as 'Cash Credits, overdrafts, and loans repayable on demand', under Schedule 9 'Advances'. All other Reverse Repos are classified as 'Term Loans' under Schedule 9 'Advances'.

- f. Borrowing cost of repo transactions and revenue on reverse repo transactions, with RBI or others, is accounted for as interest expense and interest income, respectively.

**2.6** In case of life and general insurance subsidiaries, investments are accounted in accordance with the Insurance Act, 1938, the IRDAI (Investment) Regulations, 2016 and IRDA (Presentation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, Investment policy of the Company and various other circulars/notifications as issued by IRDAI from time to time.

### i. Valuation of investment pertaining to non-linked life insurance business and general insurance business: -

- All debt securities, including government securities and money market securities are stated at historical cost subject to amortisation of premium or accretion of discount.
- Listed equity shares, equity related instruments and preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. National Stock Exchange of India Limited ('NSE') is considered. If NSE closing price is not available, the closing price of the secondary exchange i.e. BSE Limited ('BSE') is considered.
- Unlisted equity securities, equity related instruments and preference shares are measured at historical cost.
- In case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.
- Additional Tier 1 (Basel III compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices

obtained from Credit Rating Information Services of India Limited (CRISIL).

- Investments in mutual fund units are valued at the Net Asset Value (NAV) of previous day in life insurance and of Balance Sheet date in general insurance.
- Investment in Alternative Investment Funds (AIFs) are valued at latest available NAV.
- The Investment in units of REITs/InvITs are valued at Market Value (last quoted price should not be later than 30 days). For the purpose of determining market value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available for any security, then BSE closing price is used for valuation. Where market quote is not available for the last 30 days, the units are valued as per the latest NAV (not more than 6 months old) of the units published by the trust.

Unrealised gains or losses arising due to change in the fair value of listed equity shares, mutual fund units, AIFs and units of REITs/InvITs pertaining to shareholders' investments and non-linked policyholders investments are taken to "Revenue & Other Reserves (Schedule 2)" and "Liabilities relating to Policyholders in Insurance Business (Schedule 5)" respectively, in the Balance Sheet.

## ii. Valuation of investment pertaining to linked business: -

- Debt Securities including Government securities with remaining maturity of more than one year are valued at prices obtained from CRISIL. Debt securities including Government securities with remaining maturity of less than one year are valued on yield to maturity basis, where yield is derived using market price provided by CRISIL on the day when security is classified as short-term. If security is purchased during its short-term tenor, it is valued at amortised cost using yield to

maturity method. In case of securities with options, earliest Call Option/Put Option date will be taken as maturity date for this purpose. Money market securities are valued at historical cost subject to amortisation of premium or accretion of discount on yield to maturity basis.

- Listed equity shares, equity related instruments and preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available, closing price of the BSE is considered.
- Unlisted equity shares, equity related instruments and preference shares are measured at historical cost.
- In case of Security Lending and Borrowing (SLB), equity shares lent are valued as per valuation policy for equity shares as mentioned above.
- Additional Tier 1 (Basel III compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from CRISIL.
- Investments in mutual fund units are valued at the previous day's Net Asset Value (NAV).
- The Investment in units of REITs/InvITs are valued at Market Value (last quoted price should not be later than 30 days). For the purpose of determining market value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available for any security, then BSE closing price is used for valuation. Where market quote is not available for the last 30 days, the units are valued as per the latest NAV (not more than 6 months old) of the units published by the trust.
- Unrealised gains or losses arising due to changes in the fair value are recognized in the Profit & Loss Account.

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## 3. Loans/Advances and Provisions thereon:

**3.1** Based on the guidelines/directives issued by the RBI, Loans and Advances are classified as performing and non-performing as follows:

- i) A term loan is classified as a non-performing asset, if interest and/or instalment of principal remains overdue for a period of more than 90 days;
- ii) An Overdraft or Cash Credit is classified as a non-performing asset, if the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance-sheet, or if the credits are not adequate to cover the interest debited during the same period;
- iii) The bills purchased/discounted are classified as non-performing assets, if the bill remains overdue for a period of more than 90 days;
- iv) The agricultural advances are classified as non-performing assets, if (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

**3.2** NPAs are classified into Sub-standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

- i) Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii) Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.
- iii) Loss: A loan asset where loss has been identified but the amount has not been fully written off.

**3.3** Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Sub-standard Assets:</b> | <ol style="list-style-type: none"> <li>i. A general provision of 15% on the total outstanding;</li> <li>ii. Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio);</li> <li>iii. Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available - 20%.</li> </ol> |
| <b>Doubtful Assets:</b>     |                                                                                                                                                                                                                                                                                                                                                                                                                              |
| - Secured portion:          | <ol style="list-style-type: none"> <li>i. Up to one year – 25%</li> <li>ii. One to three years – 40%</li> <li>iii. More than three years – 100%</li> </ol>                                                                                                                                                                                                                                                                   |
| - Unsecured portion         | 100%                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Loss Assets:</b>         | 100%.                                                                                                                                                                                                                                                                                                                                                                                                                        |

**3.4** In respect of foreign offices/entities, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more prudent.

**3.5** Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.

**3.6** For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loan/advances before and after restructuring is provided for, in addition to provision for the respective loans/advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.

**3.7** In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.

**3.8** Amounts recovered against debts written off in earlier years are recognized as revenue in the year of recovery.

**3.9** In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These

provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.

**3.10** The Bank also makes additional provisions on specific non-performing assets.

**3.11** Appropriation of recoveries in NPAs are made in order of priority as under :

- a) Charges, Costs, Commission etc.
- b) Unrealised Interest/Interest
- c) Principal

However, in Compromise and Resolution/ Settlement through National Company Law Tribunal (NCLT) cases, the recoveries are appropriated as per the terms of respective compromise/ resolution/ settlement. In case of suit filed accounts, recovery is appropriated as per directives of respective courts.

#### **4. Floating Provisions & Countercyclical Provisioning Buffer:**

The Bank has a policy for creation and utilisation of Countercyclical Provisioning Buffer in good times as well as for Floating Provisions separately for advances, investments and general purposes. The quantum of Countercyclical Provisioning Buffer and Floating Provisions to be created is assessed at the end of the financial year. These provisions are utilised only for contingencies under extra ordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

#### **5. Provision for Country Exposure for Banking Entities:**

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedule 5 of the Balance Sheet under the "Other Liabilities & Provisions – Others".

#### **6. Derivatives:**

**6.1** The Bank enters in derivative contracts, such as foreign currency options, interest rate swaps, currency swaps, cross currency interest rate swaps and forward rate agreements to hedge on-Balance Sheet/off-Balance Sheet assets and liabilities or for trading purposes. The swap contracts entered to hedge on-Balance Sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-Balance Sheet items. The impact of such derivative instruments is correlated with the movement of the underlying assets and accounted in accordance with the principles of hedge accounting.

**6.2** Derivative contracts classified as hedge are recorded on accrual basis. Hedge contracts are not marked to market unless the underlying assets/liabilities are also marked to market.

**6.3** Except as mentioned above, all other derivative contracts are marked to market as per the Generally Accepted Accounting Practices prevalent in the industry. In respect of derivative contracts that are marked to market, changes in the market value are recognized in the Profit and Loss Account in the period of change. Any receivable under derivative contracts, which remain overdue for more than 90 days, are reversed through Profit and Loss Account to "Suspense Account - Crystallised Receivables". In cases where the derivative contracts provide for more settlement in future and if the derivative contract is not terminated on the overdue receivables remaining unpaid for 90 days, the positive MTM pertaining to future receivables is also reversed from Profit and Loss Account to "Suspense Account - Positive MTM".

**6.4** Option premium paid or received is recorded in Profit and Loss Account at the expiry of the option. The balance in the premium received on options sold and premium paid on options bought is considered to arrive at Mark to Market value for forex Over the Counter (OTC) options.

**6.5** Exchange Traded Derivatives entered in for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

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forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

## 7. Fixed Assets Depreciation and Amortisation:

**7.1** Fixed Assets are carried at cost less accumulated depreciation/amortisation except for freehold premises carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation, as stated otherwise.

**7.2** Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability. The fixed assets in domestic offices/entities are depreciated at straight-line method based on useful life of the assets states as under:

| Sr. No. | Description of Fixed Assets                                                                                  | Useful life |
|---------|--------------------------------------------------------------------------------------------------------------|-------------|
| 1.      | Computers                                                                                                    | 3 years     |
| 2.      | Computer Software forming an integral part of the computer hardware                                          | 3 years     |
| 3.      | Computer Software which does not form an integral part of Computer hardware and cost of Software Development | 3 years     |
| 4.      | Automated Teller Machine/ Cash Deposit Machine/ Coin Dispenser/ Coin Vending Machine                         | 5 years     |
| 5.      | Server                                                                                                       | 4 years     |
| 6.      | Network Equipment                                                                                            | 5 years     |
| 7.      | <u>Other major fixed assets:</u>                                                                             |             |
|         | Premises                                                                                                     | 60 years    |
|         | Vehicles                                                                                                     | 5 years     |
|         | Safe Deposit Lockers                                                                                         | 20 years    |
|         | Furniture & Fixtures                                                                                         | 10 years    |

**7.3** In respect of assets acquired during the year for domestic operations, depreciation is charged on proportionate basis for the number of days assets have been put to use during the year.

**7.4** Assets costing less than ₹1,000 each are charged off in the year of purchase.

**7.5** In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease (except for premises and land on perpetual lease) and Lease payments for assets taken on

Operating lease are recognized as expense in the Profit & Loss account over the lease term on straight line basis.

**7.6** In respect of fixed assets held at foreign offices/entities, depreciation is provided as per the regulations/norms of the respective countries.

**7.7** The Bank revalue freehold immovable assets at every three years. The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account without routing through the Profit and Loss Account. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to General Reserve. The revalued asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation.

## 8. Leases:

The asset classification and provisioning norms applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

## 9. Impairment of Assets:

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

## 10. Effect of changes in the foreign exchange rate:

### 10.1 Foreign Currency Transactions

- Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing (spot/forward) rates.



- iii. Foreign currency non-monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.
- iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.
- v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting Profit or Loss is recognized in the Profit and Loss Account.
- vi. Foreign exchange forward contracts which are not intended for trading and are outstanding on the Balance Sheet date, are re-valued at the closing spot rate. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.
- vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognized as income or as expense in the period in which they arise.
- viii. Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognized in the Profit and Loss Account.
- ii. Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.
- iii. Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.
- iv. The Assets and Liabilities of foreign offices/ subsidiaries /joint ventures in foreign currency (other than local currency of the foreign offices/ subsidiaries/ joint ventures) are translated into local currency using spot rates applicable to that country on the Balance Sheet date.

**b) Integral Operations:**

- i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- ii. Monetary foreign currency assets and liabilities of integral foreign operations are translated at closing (Spot/Forward) exchange rates notified by FEDAI at the Balance Sheet date and the resulting Profit/Loss is included in the Profit and Loss Account. Contingent Liabilities are translated at Spot rate.
- iii. Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

## 10.2 Foreign Operations:

Foreign Branches/ Subsidiaries/ Joint Ventures of the Bank and Offshore Banking Units (OBU) have been classified as Non-integral Operations and Representative Offices have been classified as Integral Operations.

**a) Non-integral Operations:**

- i. Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.

## 11. Employee Benefits:

### 11.1 Short Term Employee Benefits:

The undiscounted amounts of short-term employee benefits, such as medical benefits, which are expected to be paid in exchange for the services rendered by employees are recognized during the period when the employee renders the service.

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## 11.2 Long-Term Employee Benefits:

### i. Defined Benefit Plans :

- a) SBI operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. SBI contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a Trust established for this purpose and are charged to Profit and Loss Account. SBI recognizes such annual contributions as an expense in the year to which it relates, Shortfall, if any, is provided for based on actuarial valuation.

SBI Life Insurance Company Limited makes contribution towards provident fund, a defined benefit retirement plan. The provident fund is administered by the trustees of the SBI Life Insurance Company Limited Employees PF Trust. The contribution paid or payable under the schemes is charged to the Profit and Loss Account during the period in which the employee renders the related service. Further, an actuarial valuation is conducted annually by an independent actuary to recognize the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate.

- b) The group entities operate separate Gratuity schemes, which are defined benefit plans. The group entities provide for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities. Vesting occurs upon completion of five years of service. SBI makes periodic contributions to a fund

administered by Trustees based on an independent external actuarial valuation carried out annually.

- c) SBI provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. SBI makes monthly contribution to the Pension Fund at 10% of salary in terms of SBI Employees' Pension Fund Regulations. The pension liability is reckoned based on an independent actuarial valuation carried out annually and SBI makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the Pension Fund Regulations.
- d) The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains/losses are immediately recognized in the Profit and Loss and are not deferred.

### ii. Defined Contribution Plans:

SBI operates a New Pension Scheme (NPS) for all officers/employees joining SBI on or after 1<sup>st</sup> August 2010, which is a defined contribution plan, such new joiners not being entitled to become members of the existing SBI Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with SBI's contribution at 14% of basic pay plus dearness allowance. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in SBI and earn interest at the same rate as that of the current account of Provident Fund balance. SBI recognizes such annual contributions and interest as an expense in



the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS Trust.

**iii) Other Long-Term Employee benefits:**

- a) All eligible employees of the Group are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award and resettlement allowance. The cost of such long-term employee benefits are internally funded by the group entities.
- b) The cost of providing other long-term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost, if any, is immediately recognized in the Profit and Loss and is not deferred.

**11.3** Employee benefits relating to employees employed at foreign offices/entities are valued and accounted for as per the respective local laws/regulations.

**12. Segment Reporting:**

The Group recognizes the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

**13. Taxes on income:**

Income tax expense is the aggregate amount of current tax, deferred tax and fringe benefit tax expense incurred by the Group. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – “Accounting for Taxes on Income” respectively after considering taxes paid at the foreign offices, which are based on the tax laws of respective jurisdiction. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognized by considering the impact of timing differences between taxable income and

accounting income for the current year and carry forward losses.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. The impact of changes in deferred tax assets and liabilities is recognized in the profit and loss account. Deferred tax assets are recognized and re-assessed at each reporting date, based upon management’s judgement as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

In Consolidated Financial Statement, income tax expenses are the aggregate of the amounts of tax expense appearing in the separate financial statements of the parent and its subsidiaries/joint ventures, as per their applicable laws.

**14. Earnings per Share:**

**14.1** The Bank reports basic and diluted earnings per share in accordance with AS 20 – “Earnings per Share” issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders (other than minority) by the weighted average number of equity shares outstanding for the year.

**14.2** Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

**15. Provisions, Contingent Liabilities and Contingent Assets:**

**15.1** In conformity with AS 29, “Provisions, Contingent Liabilities and Contingent Assets”, issued by the Institute of Chartered Accountants of India, the Group recognizes provisions only when it has a present obligation because of a past event and would result in a probable outflow of resources embodying economic benefits will be required to

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settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

## 15.2 No provision is recognized for

- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group entities; or
- ii. any present obligation that arises from past events but is not recognized because
  - a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - b) a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

**15.3** Provision for reward points in relation to the debit card holders of SBI is being provided for on actuarial estimates.

**15.4** Provisions for onerous contracts are recognized when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognizes any

impairment loss on the assets associated with that contract.

**15.5** Contingent Assets are not recognized in the financial statements.

## 16. Bullion Transactions:

SBI imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on price quoted by the supplier. SBI earns a fee on such bullion transactions. The fee is classified under commission income. SBI also accepts deposits and lends gold, which is treated as deposits/advances as the case may be with the interest paid/received classified as interest expense/income. Gold Deposits, Metal Loan Advances and closing Gold Balances are valued at available Market Rate as on the date of Balance Sheet.

## 17. Special Reserves:

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961. The Board of Directors of the Bank has passed a resolution approving creation of the reserve and confirming that it has no intention to make withdrawal from the Special Reserve.

## 18. Share Issue Expenses:

Share issue expenses are charged to the Share Premium Account.

## 19. Cash and cash equivalents:

Cash and cash equivalents include Cash and Balances with RBI, Balances with Banks and money at call and short notice.

## SCHEDULE 18 - NOTES TO ACCOUNTS:

### 1. List of Subsidiaries/ Joint Ventures/ Associates considered for preparation of consolidated financial statements:

- 1.1** The 27 Subsidiaries, 8 Joint ventures (including Jio Payments Bank Ltd. up to 22<sup>nd</sup> January 2023) and 19 Associates including 14 Regional Rural Banks from/up to respective dates of merger/exit during the year (which along with State Bank of India, the parent, constitute the Group), considered in the preparation of the consolidated financial statements, are:

#### A. Subsidiaries:

| Sr. No. | Name of the Subsidiary                                               | Country of incorporation | Group's Stake (%) |               |
|---------|----------------------------------------------------------------------|--------------------------|-------------------|---------------|
|         |                                                                      |                          | Current Year      | Previous Year |
| 1.      | SBI Capital Markets Ltd.                                             | India                    | 100.00            | 100.00        |
| 2.      | SBICAP Securities Ltd.                                               | India                    | 100.00            | 100.00        |
| 3.      | SBICAP Trustee Company Ltd.                                          | India                    | 100.00            | 100.00        |
| 4.      | SBICAP Ventures Ltd.                                                 | India                    | 100.00            | 100.00        |
| 5.      | SBICAP (Singapore) Ltd. (up to 30.11.2022)                           | Singapore                | 100.00            | 100.00        |
| 6.      | SBI DFHI Ltd.                                                        | India                    | 72.17             | 72.17         |
| 7.      | SBI Global Factors Ltd.                                              | India                    | 100.00            | 86.18         |
| 8.      | SBI Infra Management Solutions Pvt. Ltd. (up to 30.09.2022)          | India                    | 100.00            | 100.00        |
| 9.      | SBI Mutual Fund Trustee Company Pvt. Ltd.                            | India                    | 100.00            | 100.00        |
| 10.     | SBI Payment Services Pvt. Ltd.®                                      | India                    | 74.00             | 74.00         |
| 11.     | SBI Pension Funds Pvt. Ltd.                                          | India                    | 92.51             | 92.52         |
| 12.     | State Bank Operations Support Services Pvt. Ltd. (w.e.f. 26.07.2022) | India                    | 100.00            | -             |
| 13.     | SBI Life Insurance Company Ltd.                                      | India                    | 55.45             | 55.48         |
| 14.     | SBI General Insurance Company Ltd.                                   | India                    | 69.95             | 69.96         |
| 15.     | SBI Cards and Payment Services Ltd.                                  | India                    | 68.98             | 69.20         |
| 16.     | SBI-SG Global Securities Services Pvt. Ltd.®                         | India                    | 65.00             | 65.00         |
| 17.     | SBI Funds Management Ltd.®                                           | India                    | 62.53             | 62.59         |
| 18.     | SBI Funds Management (International) Private Ltd.®                   | Mauritius                | 62.53             | 62.59         |
| 19.     | Commercial Indo Bank Llc , Moscow                                    | Russia                   | 100.00            | 60.00         |
| 20.     | SBI Canada Bank                                                      | Canada                   | 100.00            | 100.00        |
| 21.     | State Bank of India (California)                                     | USA                      | 100.00            | 100.00        |
| 22.     | State Bank of India (UK) Limited                                     | UK                       | 100.00            | 100.00        |
| 23.     | State Bank of India Servicos Limitada                                | Brazil                   | 100.00            | 100.00        |
| 24.     | SBI (Mauritius) Ltd.                                                 | Mauritius                | 96.60             | 96.60         |
| 25.     | PT Bank SBI Indonesia                                                | Indonesia                | 99.56             | 99.34         |
| 26.     | Nepal SBI Bank Ltd.                                                  | Nepal                    | 55.00             | 55.00         |
| 27.     | Nepal SBI Merchant Banking Limited                                   | Nepal                    | 55.00             | 55.00         |

®Represents companies which are jointly controlled entities in terms of the shareholders' agreement. However, the same are consolidated as subsidiaries in accordance with AS 21 "Consolidated Financial Statements" as SBI's holding in these companies exceeds 50%.

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## B. Joint Ventures:

| Sr. No. | Name of the Joint Venture                                       | Country of Incorporation | Group's Stake (%) |               |
|---------|-----------------------------------------------------------------|--------------------------|-------------------|---------------|
|         |                                                                 |                          | Current Year      | Previous Year |
| 1.      | C - Edge Technologies Ltd.                                      | India                    | 49.00             | 49.00         |
| 2.      | SBI Macquarie Infrastructure Management Pvt. Ltd.               | India                    | 45.00             | 45.00         |
| 3.      | SBI Macquarie Infrastructure Trustee Pvt. Ltd.                  | India                    | 45.00             | 45.00         |
| 4.      | Macquarie SBI Infrastructure Management Pte. Ltd.               | Singapore                | 45.00             | 45.00         |
| 5.      | Macquarie SBI Infrastructure Trustee Ltd.                       | Bermuda                  | 45.00             | 45.00         |
| 6.      | Oman India Joint Investment Fund – Management Company Pvt. Ltd. | India                    | 50.00             | 50.00         |
| 7.      | Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.    | India                    | 50.00             | 50.00         |
| 8.      | Jio Payments Bank Ltd. (up to 22.01.2023)                       | India                    | –*                | 30.00         |

\* From 23.01.2023, Jio Payments Bank Ltd. becomes an associate of SBI.

## C. Associates:

| Sr. No. | Name of the Associate                             | Country of Incorporation | Group's Stake (%) |               |
|---------|---------------------------------------------------|--------------------------|-------------------|---------------|
|         |                                                   |                          | Current Year      | Previous Year |
| 1.      | Andhra Pradesh Grameena Vikas Bank                | India                    | 35.00             | 35.00         |
| 2.      | Arunachal Pradesh Rural Bank                      | India                    | 35.00             | 35.00         |
| 3.      | Chhattisgarh Rajya Gramin Bank                    | India                    | 35.00             | 35.00         |
| 4.      | Ellaquai Dehati Bank                              | India                    | 35.00             | 35.00         |
| 5.      | Madhyanchal Gramin Bank                           | India                    | 35.00             | 35.00         |
| 6.      | Meghalaya Rural Bank                              | India                    | 35.00             | 35.00         |
| 7.      | Mizoram Rural Bank                                | India                    | 35.00             | 35.00         |
| 8.      | Nagaland Rural Bank                               | India                    | 35.00             | 35.00         |
| 9.      | Saurashtra Gramin Bank                            | India                    | 35.00             | 35.00         |
| 10.     | Utkal Grameen Bank                                | India                    | 35.00             | 35.00         |
| 11.     | Uttarakhand Gramin Bank                           | India                    | 35.00             | 35.00         |
| 12.     | Jharkhand Rajya Gramin Bank                       | India                    | 35.00             | 35.00         |
| 13.     | Rajasthan Marudhara Gramin Bank                   | India                    | 35.00             | 35.00         |
| 14.     | Telangana Grameena Bank                           | India                    | 35.00             | 35.00         |
| 15.     | The Clearing Corporation of India Ltd.            | India                    | 20.05             | 20.05         |
| 16.     | Yes Bank Ltd.                                     | India                    | 26.14             | 30.00         |
| 17.     | Bank of Bhutan Ltd.                               | Bhutan                   | 20.00             | 20.00         |
| 18.     | Investec Capital Services (India) Private Limited | India                    | 19.70             | 19.70         |
| 19.     | Jio Payments Bank Ltd. (w.e.f. 23.01.2023)        | India                    | 23.02             | -             |

a) Pursuant to exercise of options under the approved Employee Stock Option Plan (ESOP), following group entities have issued equity shares to their eligible employees:-

- i) SBI Cards and Payment Services Limited has allotted 29,01,900 equity shares of ₹10 each during the year ended 31<sup>st</sup> March 2023. Consequently, the stake of SBI in SBI Cards and Payment Services Limited has reduced from 69.20% to 68.98%.

- ii) SBI Life Insurance Company Limited has allotted 5,24,197 equity shares of ₹10 each during the year ended 31<sup>st</sup> March 2023. Consequently, the stake of SBI in SBI Life Insurance Company Limited has reduced from 55.48% to 55.45%.
  - iii) SBI Funds Management Limited has allotted 4,18,641 equity shares of ₹1 each during the year ended 31<sup>st</sup> March 2023. Consequently, the stake of SBI in SBI Funds Management Limited has reduced from 62.59% to 62.53% and the stake of SBI Group in SBI Funds Management (International) Private Limited and SBI Pension Funds Private Limited has reduced from 62.59% and 92.52% to 62.53% and 92.51% respectively.
  - iv) SBI General Insurance Company Limited has allotted 30,000 equity shares of ₹10 each during the year ended 31<sup>st</sup> March 2023. Consequently, the stake of SBI in SBI General Insurance Company Limited has reduced from 69.96% to 69.95%.
  - v) Yes Bank Limited has allotted 36,66,651 equity shares of ₹2 each during the year ended 31<sup>st</sup> March 2023.
  - b) State Bank Operations Support Services Pvt. Ltd. has been incorporated on 26<sup>th</sup> July 2022 as a wholly-owned subsidiary. The Company provides operation support services for Agriculture/MSME and other Micro Loans including activities permissible to business correspondents, to the Bank which will help to improve the customer connect and business focus of the branches of the Bank.
  - c) During the year ended 31<sup>st</sup> March 2023, SBI has acquired additional stake in the following:
    - i) 13.82% stake in SBI Global Factors Limited making it a wholly-owned subsidiary.
    - ii) 40.00% stake in Commercial Indo Bank LLC, Moscow making it a wholly-owned subsidiary.
  - d) During the year ended 31<sup>st</sup> March 2023, SBI has infused an additional capital of ₹530.49 Crore in PT Bank SBI Indonesia, a subsidiary. Consequently, SBI's stake has increased from 99.34% to 99.56%.
  - e) During the year ended 31<sup>st</sup> March 2023, SBI's stake has reduced in the following entities:
    - i) Yes Bank Ltd., an associate, has allotted 369,61,55,702 equity shares on preferential basis to other investors. Consequently, SBI's stake has reduced from 30.00% to 26.14%.
    - ii) Jio Payments Bank Ltd., a joint venture, has offered right issue of its equity shares in which SBI did not participate. Consequently, SBI's stake has reduced from 30.00% to 23.02% and Jio Payments Bank Ltd. becomes an associate of SBI.
  - f) SBICAP (Singapore) Limited, a wholly-owned step-down subsidiary of SBI has been dissolved on 30<sup>th</sup> November 2022.
  - g) SBI Infra Management Solutions Private Limited, wholly-owned subsidiary of SBI has been under liquidation from FY 2021-22 and full provision for its investment has been made during the quarter ended 30<sup>th</sup> September 2022. Accordingly, it has been excluded from consolidation in preparation of Consolidated Financial Statements from 1<sup>st</sup> October 2022.
  - h) SBI Home Finance Ltd., an associate in which the Group is having 26% stake, is under liquidation and therefore, not being considered for consolidation in preparation of Consolidated Financial Statements as per Accounting Standard 21.
  - i) As SBI Foundation is a Not-for-Profit Company [incorporated under Section 7(2) of Companies Act, 2013], SBI Foundation is not being considered for consolidation in preparation of Consolidated Financial statements as per Accounting Standard 21.
- 1.2** The consolidated financial statements for the financial year 2022-23 of the Group include unaudited financial statements of one subsidiary (SBI Canada Bank) & one associate (Bank of Bhutan Ltd.) the results of which are not material.

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forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

## 2. Disclosures as per Accounting Standards

### 2.1 Accounting Standard 5 - "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies"

- During the year, there were no material prior period income/expenditure items.
- There is no change in the Significant Accounting Policies adopted during the Financial Year 2022-2023 as compared to those followed in the previous Financial Year 2021-2022.

### 2.2 Accounting Standard - 15 "Employee Benefits":

#### 2.2.1 Defined Benefit Plans

##### 2.2.1.1 Employee's Pension Plans and Gratuity Plans

The following table sets out the status of the Defined Benefit Pension Plans and Gratuity Plan as required under AS 15 (Revised 2005):

(₹ in Crore)

| Particulars                                                                                | Pension Plans      |                    | Gratuity Plans   |                  |
|--------------------------------------------------------------------------------------------|--------------------|--------------------|------------------|------------------|
|                                                                                            | Current Year       | Previous Year      | Current Year     | Previous Year    |
| <b>Change in the present value of the defined benefit obligation</b>                       |                    |                    |                  |                  |
| Opening defined benefit obligation at 1 <sup>st</sup> April 2022                           | <b>1,46,124.99</b> | <b>1,25,806.37</b> | <b>13,035.01</b> | <b>13,727.65</b> |
| Current Service Cost                                                                       | 972.83             | 914.92             | 499.72           | 499.18           |
| Interest Cost                                                                              | 10,740.19          | 8,680.64           | 943.85           | 933.40           |
| Past Service Cost (Vested Benefit)                                                         | -                  | 11,124.14          | -                | 8.35             |
| Liability pertains to outgoing Joint Venture                                               | -                  | -                  | (0.27)           | -                |
| Actuarial losses/(gains)                                                                   | 9,824.44           | 9,789.06           | 66.56            | 46.35            |
| Benefits paid                                                                              | (4,848.06)         | (4,926.71)         | (1,785.10)       | (2,179.92)       |
| Direct Payment by SBI                                                                      | (5,848.13)         | (5,263.43)         | -                | -                |
| <b>Closing defined benefit obligation at 31<sup>st</sup> March 2023</b>                    | <b>1,56,966.26</b> | <b>1,46,124.99</b> | <b>12,759.77</b> | <b>13,035.01</b> |
| <b>Change in Plan Assets</b>                                                               |                    |                    |                  |                  |
| Opening fair value of plan assets at 1 <sup>st</sup> April 2022                            | <b>1,30,590.73</b> | <b>1,06,445.86</b> | <b>11,222.46</b> | <b>11,210.84</b> |
| Expected Return on Plan assets                                                             | 9,598.42           | 7,344.76           | 812.65           | 762.11           |
| Contributions by employer                                                                  | 2,171.59           | 22,163.77          | 1,486.86         | 1,504.26         |
| Expected Contribution by the employees                                                     | 0.10               | -                  | -                | -                |
| Benefits Paid                                                                              | (4,848.06)         | (4,926.71)         | (1,785.10)       | (2,179.92)       |
| Actuarial Gains/(Losses) on plan assets                                                    | (4,364.24)         | (436.95)           | (339.00)         | (74.83)          |
| <b>Closing fair value of plan assets at 31<sup>st</sup> March 2023</b>                     | <b>1,33,148.54</b> | <b>1,30,590.73</b> | <b>11,397.87</b> | <b>11,222.46</b> |
| <b>Reconciliation of present value of the obligation and fair value of the plan assets</b> |                    |                    |                  |                  |
| Present Value of funded obligation at 31 <sup>st</sup> March 2023                          | 1,56,966.26        | 1,46,124.99        | 12,759.77        | 13,035.01        |
| Fair Value of plan assets at 31 <sup>st</sup> March 2023                                   | 1,33,148.54        | 1,30,590.73        | 11,397.87        | 11,222.46        |
| Deficit/(Surplus)                                                                          | 23,817.72          | 15,534.26          | 1,361.90         | 1,812.55         |
| Unrecognized Past Service Cost (Vested) Closing Balance                                    | -                  | -                  | -                | -                |
| Unrecognized Transitional Liability Closing Balance                                        | -                  | -                  | -                | -                |
| <b>Net Liability/(Asset )</b>                                                              | <b>23,817.72</b>   | <b>15,534.26</b>   | <b>1,361.90</b>  | <b>1,812.55</b>  |

(₹ in Crore)

| Particulars                                                                                                    | Pension Plans    |                  | Gratuity Plans  |                 |
|----------------------------------------------------------------------------------------------------------------|------------------|------------------|-----------------|-----------------|
|                                                                                                                | Current Year     | Previous Year    | Current Year    | Previous Year   |
| <b>Amount Recognised in the Balance Sheet</b>                                                                  |                  |                  |                 |                 |
| Liabilities                                                                                                    | 1,56,966.26      | 1,46,124.99      | 12,759.77       | 13,035.01       |
| Assets                                                                                                         | 1,33,148.54      | 1,30,590.73      | 11,397.87       | 11,222.46       |
| Net Liability/(Asset) recognized in Balance Sheet                                                              | 23,817.72        | 15,534.26        | 1,361.90        | 1,812.55        |
| Unrecognized Past Service Cost (Vested) Closing Balance                                                        | -                | -                | -               | -               |
| Unrecognized Transitional Liability Closing Balance                                                            | -                | -                | -               | -               |
| <b>Net Liability/(Asset)</b>                                                                                   | <b>23,817.72</b> | <b>15,534.26</b> | <b>1,361.90</b> | <b>1,812.55</b> |
| <b>Net Cost recognized in the profit and loss account</b>                                                      |                  |                  |                 |                 |
| Current Service Cost                                                                                           | 972.83           | 914.92           | 499.72          | 499.18          |
| Interest Cost                                                                                                  | 10,740.19        | 8,680.64         | 943.85          | 933.40          |
| Expected return on plan assets                                                                                 | (9,598.42)       | (7,344.76)       | (812.65)        | (762.11)        |
| Expected Contributions by the employees                                                                        | (0.10)           | -                | -               | -               |
| Past Service Cost (Amortised) Recognised                                                                       | -                | -                | -               | -               |
| Past Service Cost (Vested Benefits) Recognised                                                                 | -                | 11,124.14        |                 | 8.35            |
| Net Actuarial Losses/(Gains) recognized during the year                                                        | 14,188.68        | 10,226.01        | 405.56          | 121.18          |
| <b>Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"</b> | <b>16,303.18</b> | <b>23,600.95</b> | <b>1,036.48</b> | <b>800.00</b>   |
| <b>Reconciliation of expected return and actual return on Plan Assets</b>                                      |                  |                  |                 |                 |
| Expected Return on Plan Assets                                                                                 | 9,598.42         | 7,344.76         | 812.65          | 762.11          |
| Actuarial Gains/(Losses) on Plan Assets                                                                        | (4,364.24)       | (436.95)         | (339.00)        | (74.83)         |
| Actual Return on Plan Assets                                                                                   | <b>5,234.18</b>  | <b>6,907.81</b>  | <b>473.65</b>   | <b>687.28</b>   |
| <b>Reconciliation of opening and closing net liability/ (asset) recognized in Balance Sheet</b>                |                  |                  |                 |                 |
| Opening Net Liability/(Asset) as at 1 <sup>st</sup> April 2022                                                 | <b>15,534.26</b> | <b>19,360.51</b> | <b>1,812.55</b> | <b>2,516.81</b> |
| Expenses as recognized in profit and loss account                                                              | 16,303.18        | 23,600.95        | 1,036.48        | 800.00          |
| Paid by SBI Directly                                                                                           | (5,848.13)       | (5,263.43)       | -               | -               |
| Debited to Other Provision                                                                                     | -                | -                | -               | -               |
| Recognised in Reserve                                                                                          | -                | -                | -               | -               |
| Liability pertaining to outgoing Joint Venture                                                                 | -                | -                | (0.27)          | -               |
| Employer's Contribution                                                                                        | (2,171.59)       | (22,163.77)      | (1,486.86)      | (1,504.26)      |
| <b>Net liability/(Asset) recognized in Balance Sheet</b>                                                       | <b>23,817.72</b> | <b>15,534.26</b> | <b>1,361.90</b> | <b>1,812.55</b> |

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**Investments under Plan Assets of Gratuity Fund & Pension Fund as on 31<sup>st</sup> March 2023 are as follows:**

| Category of Assets                                         | Pension Fund     | Gratuity Fund    |
|------------------------------------------------------------|------------------|------------------|
|                                                            | % of Plan Assets | % of Plan Assets |
| Central Govt. Securities                                   | 19.11%           | 18.50%           |
| State Govt. Securities                                     | 35.14%           | 34.21%           |
| Debt Securities, Money Market Securities and Bank Deposits | 30.85%           | 28.50%           |
| ETF and Mutual Funds                                       | 11.61%           | 10.67%           |
| Insurer Managed Funds                                      | 1.17%            | 6.12%            |
| Others                                                     | 2.12%            | 2.00%            |
| <b>Total</b>                                               | <b>100.00%</b>   | <b>100.00%</b>   |

**Principal actuarial assumptions:**

| Particulars                           | Pension Plans |               |
|---------------------------------------|---------------|---------------|
|                                       | Current year  | Previous year |
| Discount Rate                         | 7.53%         | 7.35%         |
| Expected Rate of return on Plan Asset | 7.53%         | 7.35%         |
| Salary Escalation Rate                | 6.00%         | 5.80%         |
| Pension Escalation Rate               | 2.00%         | 1.60%         |
| Attrition Rate                        | 2.00%         | 2.00%         |

| Particulars                           | Gratuity Plans |               |
|---------------------------------------|----------------|---------------|
|                                       | Current year   | Previous year |
| Discount Rate                         | 7.48%          | 7.27%         |
| Expected Rate of return on Plan Asset | 7.48%          | 7.27%         |
| Salary Escalation Rate                | 6.00%          | 5.80%         |
| Attrition Rate                        | 2.00%          | 2.00%         |

The expected contribution to the Pension and Gratuity fund for the next year is ₹2,200.00 Crore and ₹1,852.10 Crore respectively.

In case of SBI, as the plan assets are marked to market on the basis of the yield curve derived from government securities, the expected rate of return has been kept the same as the discount rate.

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long-term and are not based on limited past experience/ immediate future. Empirical evidence also suggests that in the very long-term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

With a view to further strengthen the Pension Fund, it was decided to upwardly revise some of the assumptions.



### 2.2.1.2 Employees Provident Fund

Actuarial valuation carried out in respect of interest shortfall in Provident Fund Trust shows "Nil" liability, hence no provision is made in FY2022-23.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuaries:

| Particulars                                                                                                    | Provident Fund   |                  |
|----------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                                | Current Year     | Previous Year    |
| <b>Change in the present value of the defined benefit obligation</b>                                           |                  |                  |
| Opening defined benefit obligation at 1 <sup>st</sup> April 2022                                               | <b>37,507.53</b> | <b>35,946.22</b> |
| Current Service Cost                                                                                           | 1,519.50         | 1,527.66         |
| Interest Cost                                                                                                  | 2,825.03         | 2,976.21         |
| Employee Contribution (including VPF)                                                                          | 2,038.86         | 2,037.09         |
| Actuarial losses/(gains)                                                                                       | 1.00             | 150.44           |
| Benefits paid                                                                                                  | (4,753.75)       | (5,130.09)       |
| Closing defined benefit obligation at 31 <sup>st</sup> March 2023                                              | <b>39,138.17</b> | <b>37,507.53</b> |
| <b>Change in Plan Assets</b>                                                                                   |                  |                  |
| Opening fair value of Plan Assets as at 1 <sup>st</sup> April 2022                                             | <b>38,426.83</b> | <b>37,036.39</b> |
| Expected Return on Plan Assets                                                                                 | 2,820.87         | 2,976.21         |
| Contributions                                                                                                  | 3,558.36         | 3,564.74         |
| Provision for loss on maturity of non-performing investment                                                    | -                | -                |
| Benefits Paid                                                                                                  | (4,753.75)       | (5,130.09)       |
| Actuarial Gains/(Loss) on plan Assets                                                                          | 70.40            | (20.42)          |
| Closing fair value of plan assets as at 31 <sup>st</sup> March 2023                                            | <b>40,122.71</b> | <b>38,426.83</b> |
| <b>Reconciliation of present value of the obligation and fair value of the plan assets</b>                     |                  |                  |
| Present Value of Funded obligation at 31 <sup>st</sup> March 2023                                              | <b>39,138.17</b> | <b>37,507.53</b> |
| Fair Value of Plan assets at 31 <sup>st</sup> March 2023                                                       | 40,122.71        | 38,426.83        |
| Deficit/(Surplus)                                                                                              | (984.54)         | (919.30)         |
| Net Asset not recognized in Balance Sheet                                                                      | <b>984.54</b>    | <b>919.30</b>    |
| <b>Net Cost recognized in the profit and loss account</b>                                                      |                  |                  |
| Current Service Cost                                                                                           | 1,519.50         | 1,527.66         |
| Interest Cost                                                                                                  | 2,825.03         | 2,976.21         |
| Expected return on plan assets                                                                                 | (2,820.87)       | (2,976.21)       |
| Interest shortfall reversed                                                                                    | -                | -                |
| <b>Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"</b> | <b>1,523.66</b>  | <b>1,527.66</b>  |
| <b>Reconciliation of opening and closing net liability/ (asset) recognized in Balance Sheet</b>                |                  |                  |
| Opening Net Liability as at 1 <sup>st</sup> April 2022                                                         | -                | -                |
| Expense as above                                                                                               | 1,523.66         | 1,527.66         |
| Employer's Contribution                                                                                        | (1,523.66)       | (1,527.66)       |
| Net Liability/(Asset) Recognised in the Balance Sheet                                                          | -                | -                |

(₹ in Crore)

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## Investments under Plan Assets of Provident Fund as on 31<sup>st</sup> March 2023 are as follows:

| Category of Assets                                         | Provident Fund   |
|------------------------------------------------------------|------------------|
|                                                            | % of Plan Assets |
| Central Govt. Securities                                   | 28.31%           |
| State Govt. Securities                                     | 31.70%           |
| Debt Securities, Money Market Securities and Bank Deposits | 30.23%           |
| ETF and Mutual Funds                                       | 6.83%            |
| Others                                                     | 2.93%            |
| <b>Total</b>                                               | <b>100.00%</b>   |

## Principal actuarial assumptions

| Particulars       | Provident Fund |               |
|-------------------|----------------|---------------|
|                   | Current year   | Previous year |
| Discount Rate     | 7.48%          | 7.27%         |
| Guaranteed Return | 8.10%          | 8.50%         |
| Attrition Rate    | 2.00%          | 2.00%         |
| Salary Escalation | 6.00%          | 5.80%         |

- i) There is a guaranteed return applicable to liability under SBI Employees Provident Fund which shall not be lower of either:
  - a) one half percent above the average standard rate (adjusted up or down to the interest one quarter per cent) quoted by SBI for new deposits fixed for twelve months in the preceding year (ending on the preceding the 31<sup>st</sup> day of March); or
  - b) three percent per annum, subject to approval of Executive Committee.
- ii) The rules of the SBI Life Insurance Company Ltd.'s Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company.

## 2.2.2 Defined Contribution Plans

### 2.2.2.1 Employees Provident Fund

An amount of ₹48.57 Crore (Previous Year ₹56.65 Crore) is contributed towards the Provident Fund Scheme by the group (excluding the entities covered in Note 2.2.1.2) and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

### 2.2.2.2 Defined Contribution Pension Scheme

SBI has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining SBI on or after 1<sup>st</sup> August 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During FY2022-23, SBI has contributed ₹1,296.27 Crore (Previous Year ₹1,177.54 Crore).

### 2.2.2.3 The following amount is provided by the group (excluding SBI) towards Defined Contribution Plans:

(₹ in Crore)

| Sr. No.      | Long-Term Employees' Benefits        | Current Year | Previous Year |
|--------------|--------------------------------------|--------------|---------------|
| 1.           | Employee Pension Scheme under PF Act | 37.39        | 35.53         |
| 2.           | National Pension System              | 16.84        | 7.92          |
| 3.           | Others                               | 13.25        | 10.40         |
| <b>Total</b> |                                      | <b>67.48</b> | <b>53.85</b>  |

### 2.2.3 Long-Term Employee Benefits (Unfunded Obligation):

#### 2.2.3.1 Accumulating Compensated Absences (Privilege Leave)

The following table sets out the status of Accumulating Compensated Absences (Privilege Leave) as per Actuarial valuation by independent Actuaries:

(₹ in Crore)

| Particulars                                                                                                    | Accumulating Compensated Absences (Privilege Leave) |                  |
|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|------------------|
|                                                                                                                | Current Year                                        | Previous Year    |
| <b>Change in the present value of the defined benefit obligation</b>                                           |                                                     |                  |
| Opening defined benefit obligation at 1 <sup>st</sup> April 2022                                               | <b>10,381.62</b>                                    | <b>8,190.87</b>  |
| Current Service Cost                                                                                           | 330.20                                              | 458.65           |
| Interest Cost                                                                                                  | 754.41                                              | 558.35           |
| Liability pertains to outgoing Joint Venture                                                                   | (0.19)                                              | -                |
| Actuarial losses/(gains)                                                                                       | 749.41                                              | 2,571.66         |
| Benefits paid                                                                                                  | (1,137.13)                                          | (1,397.91)       |
| Closing defined benefit obligation at 31 <sup>st</sup> March 2023                                              | <b>11,078.32</b>                                    | <b>10,381.62</b> |
| <b>Net Cost recognized in the profit and loss account</b>                                                      |                                                     |                  |
| Current Service Cost                                                                                           | 330.20                                              | 458.65           |
| Interest Cost                                                                                                  | 754.41                                              | 558.35           |
| Actuarial (Gain)/Losses                                                                                        | 749.41                                              | 2,571.66         |
| <b>Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"</b> | <b>1,834.02</b>                                     | <b>3,588.66</b>  |
| <b>Reconciliation of opening and closing net liability/(asset) recognized in Balance Sheet</b>                 |                                                     |                  |
| Opening Net Liability as at 1 <sup>st</sup> April 2022                                                         | <b>10,381.62</b>                                    | <b>8,190.87</b>  |
| Expense as above                                                                                               | 1,834.02                                            | 3,588.66         |
| Liability pertains to outgoing Joint Venture                                                                   | (0.19)                                              | -                |
| Employer's Contribution                                                                                        | -                                                   | -                |
| Benefit paid directly by the Employer                                                                          | (1,137.13)                                          | (1,397.91)       |
| <b>Net Liability/(Asset) recognized in the Balance Sheet</b>                                                   | <b>11,078.32</b>                                    | <b>10,381.62</b> |

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forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

## Principal actuarial assumptions:

| Particulars       | Current Year | Previous Year |
|-------------------|--------------|---------------|
| Discount Rate     | 7.48%        | 7.27%         |
| Salary Escalation | 6.00%        | 5.80%         |
| Attrition Rate    | 2.00%        | 2.00%         |

## Accumulating Compensated Absences (Privilege Leave) (excluding the entities covered in above table)

An amount of ₹45.39 Crore (Previous Year ₹32.19 Crore) is provided by the group (excluding the entities covered in above table) towards Privilege Leave (Encashment) including leave encashment at the time of retirement and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

## 2.2.3.2 Other Long-Term Employee Benefits

Amount of ₹28.68 Crore (Previous Year ₹114.39 Crore) is provided by the group towards Other Long-Term Employee Benefits viz. Leave Travel and Home Travel Concession (Encashment/Availment), Silver Jubilee/Long-Term Service Award, Resettlement Expenses on Superannuation and Retirement Award and is included under the head "Payments to and provisions for employees" in Profit and Loss Account.

**2.2.4** The employee benefits listed above are in respect of the employees of the Group based in India. The employees of the foreign operations are not covered in the above schemes.

## 2.3 Accounting Standard- 17 "Segment Reporting":

### 2.3.1 Segment identification

#### A) Primary (Business Segment)

The following are the Primary Segments of the Group:

- Treasury
- Corporate/Wholesale Banking
- Retail Banking
- Insurance Business
- Other Banking Business

The present accounting and information system of the Group does not support capturing and extraction of the data in respect of the above segments separately. However, based on the present internal, organisational and management reporting structure and the nature of their risk and returns, the data on the Primary Segments have been computed as under:

- Treasury:** The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.
- Corporate/Wholesale Banking:** The Corporate/Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices/entities.
- Retail Banking:** The Retail Banking Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs

**d) Insurance Business:** The Insurance Business Segment comprises of the results of SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd.

**e) Other Banking Business:** Segments not classified under (a) to (d) above are classified under this primary segment. This segment also includes the operations of all the Non-Banking Subsidiaries/Joint Ventures other than SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd. of the group.

**B) Secondary (Geographical Segment):**

**a) Domestic Operations** - Branches, Subsidiaries and Joint Ventures having operations in India.

**b) Foreign Operations** - Branches, Subsidiaries and Joint Ventures having operations outside India and offshore banking units having operations in India.

**C) Pricing of Inter-segmental Transfers**

The Retail Banking segment is the primary resource mobilising unit. The Corporate/Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

**D) Allocation of Revenue, Expenses, Assets and Liabilities**

Expenses of parent incurred at Corporate Centre establishments directly attributable either to Corporate/Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

The Group has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

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## 2.3.2 Segment Information

### Part A: Primary (Business) Segments:

| (₹ in Crore)                                                                 |                |                                    |                    |                         |                |                       |                                |                       |
|------------------------------------------------------------------------------|----------------|------------------------------------|--------------------|-------------------------|----------------|-----------------------|--------------------------------|-----------------------|
| Business Segment                                                             | Treasury       | Corporate/<br>Wholesale<br>Banking | Retail Banking     |                         | Total          | Insurance<br>Business | Other<br>Banking<br>Operations | Total                 |
|                                                                              |                |                                    | Digital<br>Banking | Other Retail<br>Banking |                |                       |                                |                       |
| Revenue (before exceptional item)                                            | 1,01,804.55    | 1,00,160.24                        | 3,766.65           | 1,63,755.15             | 1,67,521.80    | 86,451.82             | 21,144.92                      | 4,77,083.33           |
|                                                                              | (99,649.80)    | (75,675.43)                        |                    |                         | (1,38,896.25)  | (76,586.87)           | (16,726.04)                    | (4,07,534.39)         |
| Unallocated Revenue                                                          |                |                                    |                    |                         |                |                       |                                | 1,861.43              |
|                                                                              |                |                                    |                    |                         |                |                       |                                | (3,155.89)            |
| Less: Inter Segment Revenue                                                  |                |                                    |                    |                         |                |                       |                                | 5,566.62              |
|                                                                              |                |                                    |                    |                         |                |                       |                                | (3,717.19)            |
| <b>Total Revenue</b>                                                         |                |                                    |                    |                         |                |                       |                                | <b>4,73,378.14</b>    |
|                                                                              |                |                                    |                    |                         |                |                       |                                | <b>(4,06,973.09)</b>  |
| Result (before exceptional items)                                            | 8,986.94       | 29,488.58                          | 4,841.14           | 28,688.65               | 33,529.79      | 2,144.03              | 5,683.39                       | 79,832.73             |
|                                                                              | (13,055.52)    | (27,037.39)                        |                    |                         | (12,333.19)    | (1,904.29)            | (5,022.31)                     | (59,352.70)           |
| Add: Exceptional items                                                       |                |                                    |                    |                         |                |                       |                                | -                     |
|                                                                              |                |                                    |                    |                         |                |                       |                                | (- 7,418.39)          |
| Result (after exceptional items)                                             |                |                                    |                    |                         |                |                       |                                | 79,832.73             |
|                                                                              |                |                                    |                    |                         |                |                       |                                | (51,934.31)           |
| Unallocated Income(+)/ Expenses(-) net                                       |                |                                    |                    |                         |                |                       |                                | -4,434.17             |
|                                                                              |                |                                    |                    |                         |                |                       |                                | (- 2,195.68)          |
| Profit/(Loss) Before Tax                                                     |                |                                    |                    |                         |                |                       |                                | 75,398.56             |
|                                                                              |                |                                    |                    |                         |                |                       |                                | (49,738.63)           |
| Taxes                                                                        |                |                                    |                    |                         |                |                       |                                | 18,840.13             |
|                                                                              |                |                                    |                    |                         |                |                       |                                | (13,382.46)           |
| Extraordinary Profit                                                         |                |                                    |                    |                         |                |                       |                                | -                     |
|                                                                              |                |                                    |                    |                         |                |                       |                                | (-)                   |
| Net Profit/(Loss) before share in profit in Associates and Minority Interest |                |                                    |                    |                         |                |                       |                                | 56,558.43             |
|                                                                              |                |                                    |                    |                         |                |                       |                                | (36,356.17)           |
| Add: Share in Profit in Associates                                           |                |                                    |                    |                         |                |                       |                                | 1,191.45              |
|                                                                              |                |                                    |                    |                         |                |                       |                                | (827.01)              |
| Less: Minority Interest                                                      |                |                                    |                    |                         |                |                       |                                | 2,101.71              |
|                                                                              |                |                                    |                    |                         |                |                       |                                | (1,809.30)            |
| Net Profit/(Loss) for the Group                                              |                |                                    |                    |                         |                |                       |                                | 55,648.17             |
|                                                                              |                |                                    |                    |                         |                |                       |                                | (35,373.88)           |
| <b>Other Information:</b>                                                    |                |                                    |                    |                         |                |                       |                                |                       |
| Segment Assets                                                               | 16,68,038.09   | 15,16,712.53                       | 53,547.82          | 22,63,602.63            | 23,17,150.45   | 3,28,479.47           | 75,611.18                      | 59,05,991.72          |
|                                                                              | (16,11,406.25) | (13,26,995.56)                     |                    |                         | (20,27,135.23) | (2,85,210.54)         | (58,894.25)                    | (53,09,641.83)        |
| Unallocated Assets                                                           |                |                                    |                    |                         |                |                       |                                | 48,426.60             |
|                                                                              |                |                                    |                    |                         |                |                       |                                | (51,241.70)           |
| <b>Total Assets</b>                                                          |                |                                    |                    |                         |                |                       |                                | <b>59,54,418.32</b>   |
|                                                                              |                |                                    |                    |                         |                |                       |                                | <b>(53,60,883.53)</b> |
| Segment Liabilities                                                          | 15,04,440.73   | 14,82,813.40                       | 4,90,828.11        | 15,82,465.81            | 20,73,293.92   | 3,12,350.22           | 54,507.60                      | 54,27,405.87          |
|                                                                              | (14,56,533.68) | (12,93,294.16)                     |                    |                         | (18,65,708.05) | (2,70,570.71)         | (41,562.93)                    | (49,27,669.53)        |
| Unallocated Liabilities                                                      |                |                                    |                    |                         |                |                       |                                | 1,68,081.13           |
|                                                                              |                |                                    |                    |                         |                |                       |                                | (1,27,625.95)         |
| <b>Total Liabilities</b>                                                     |                |                                    |                    |                         |                |                       |                                | <b>55,95,487.00</b>   |
|                                                                              |                |                                    |                    |                         |                |                       |                                | <b>(50,55,295.48)</b> |

(i) Income/Expenses are for the whole year. Assets/Liabilities are as at March 31, 2023.

(ii) Figures within brackets are for previous year.

## Part B: Secondary (Geographic) Segments

(₹ in Crore)

|                                      | Domestic     |               | Foreign      |               | Total        |               |
|--------------------------------------|--------------|---------------|--------------|---------------|--------------|---------------|
|                                      | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Revenue (before exceptional items) # | 4,49,068.78  | 3,95,564.85   | 24,309.36    | 11,408.24     | 4,73,378.14  | 4,06,973.09   |
| Net Profit #                         | 48,467.92    | 31,153.99     | 7,180.25     | 4,219.89      | 55,648.17    | 35,373.88     |
| Assets *                             | 52,80,381.11 | 47,74,622.21  | 6,74,037.21  | 5,86,261.32   | 59,54,418.32 | 53,60,883.53  |
| Liabilities *                        | 49,31,129.80 | 44,77,321.28  | 6,64,357.20  | 5,77,974.20   | 55,95,487.00 | 50,55,295.48  |

#For the year ended 31<sup>st</sup> March 2023.

\*As at 31st March 2023.

As per RBI Circular DOR. AUT.REC.12/22.01.001/2022-23 dated 7<sup>th</sup> April 2022, for the purpose of disclosure under Accounting Standard 17 Segment Reporting "Digital Banking" has been identified as a sub-segment under the "Retail Banking Segment".

## 2.4 Accounting Standard-18 "Related Party Disclosures":

### 2.4.1 Related Parties to the Group:

#### A. JOINT VENTURES:

1. C - Edge Technologies Ltd.
2. SBI Macquarie Infrastructure Management Pvt. Ltd.
3. SBI Macquarie Infrastructure Trustee Pvt. Ltd.
4. Macquarie SBI Infrastructure Management Pte. Ltd.
5. Macquarie SBI Infrastructure Trustee Ltd.
6. Oman India Joint Investment Fund – Management Company Pvt. Ltd.
7. Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.
8. Jio Payments Bank Limited (up to 22.01.2023)

#### B. ASSOCIATES:

##### i) Regional Rural Banks

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

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forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

## ii) Others

1. The Clearing Corporation of India Ltd.
2. Bank of Bhutan Ltd.
3. Yes Bank Ltd.
4. Investec Capital Services (India) Private Limited
5. Jio Payments Bank Limited (w.e.f. 23.01.2023)
6. SBI Home Finance Ltd. (under liquidation)

## C. KEY MANAGEMENT PERSONNEL OF SBI:

1. Shri Dinesh Kumar Khara, Chairman
2. Shri Challa Sreenivasulu Setty, Managing Director
3. Shri Ashwani Bhatia, Managing Director (up to 31.05.2022)
4. Shri Swaminathan Janakiraman, Managing Director
5. Shri Ashwini Kumar Tewari, Managing Director
6. Shri Alok Kumar Choudhary, Managing Director (w.e.f. 07.06.2022)

## 2.4.2 Related Parties with whom transactions were entered into during the year:

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

## 2.4.3 Transactions and Balances:

(₹ in Crore)

| Particulars                                           | Associates/<br>Joint<br>Ventures  | Key<br>Management<br>Personnel &<br>their relatives | Total     | Associates/<br>Joint<br>Ventures  | Key<br>Management<br>Personnel &<br>their relatives | Total     |
|-------------------------------------------------------|-----------------------------------|-----------------------------------------------------|-----------|-----------------------------------|-----------------------------------------------------|-----------|
| <b>Outstanding as at</b>                              | <b>31<sup>st</sup> March 2023</b> |                                                     |           | <b>31<sup>st</sup> March 2022</b> |                                                     |           |
| Borrowings                                            | -                                 | -                                                   | -         | -                                 | -                                                   | -         |
| Deposit                                               | 4,943.47                          | -                                                   | 4,943.47  | 834.90                            | -                                                   | 834.90    |
| Other Liabilities                                     | 68.52                             | -                                                   | 68.52     | 11.66                             | -                                                   | 11.66     |
| Balance with Banks and Money at call and short notice | 0.25                              | -                                                   | 0.25      | 0.39                              | -                                                   | 0.39      |
| Advance                                               | 1,007.14                          | -                                                   | 1,007.14  | 856.50                            | -                                                   | 856.50    |
| Investment                                            | 8,032.79                          | -                                                   | 8,032.79  | 10,667.36                         | -                                                   | 10,667.36 |
| Other Assets                                          | 271.97                            | -                                                   | 271.97    | 307.17                            | -                                                   | 307.17    |
| Non-fund commitments (LCs/BGs)                        | 22.53                             | -                                                   | 22.53     | -                                 | -                                                   | -         |
| <b>Maximum outstanding</b>                            | <b>During FY 2022-23</b>          |                                                     |           | <b>During FY 2021-22</b>          |                                                     |           |
| Borrowings                                            | -                                 | -                                                   | -         | -                                 | -                                                   | -         |
| Deposit                                               | 5,271.03                          | -                                                   | 5,271.03  | 1,352.93                          | -                                                   | 1,352.93  |
| Other Liabilities                                     | 68.56                             | -                                                   | 68.56     | 14.60                             | -                                                   | 14.60     |
| Balance with Banks and Money at call and short notice | 2.72                              | -                                                   | 2.72      | 636.41                            | -                                                   | 636.41    |
| Advance                                               | 1,152.51                          | -                                                   | 1,152.51  | 2,218.52                          | -                                                   | 2,218.52  |
| Investment                                            | 11,063.92                         | -                                                   | 11,063.92 | 12,817.93                         | -                                                   | 12,817.93 |
| Other Assets                                          | 527.57                            | -                                                   | 527.57    | 487.67                            | -                                                   | 487.67    |
| Non-fund commitments (LCs/BGs)                        | 22.53                             | -                                                   | 22.53     | 2,935.10                          | -                                                   | 2,935.10  |



(₹ in Crore)

| Particulars                                             | Associates/<br>Joint<br>Ventures | Key<br>Management<br>Personnel &<br>their relatives | Total  | Associates/<br>Joint<br>Ventures | Key<br>Management<br>Personnel &<br>their relatives | Total  |
|---------------------------------------------------------|----------------------------------|-----------------------------------------------------|--------|----------------------------------|-----------------------------------------------------|--------|
| <b>During the year</b>                                  | <b>During FY 2022-23</b>         |                                                     |        | <b>During FY 2021-22</b>         |                                                     |        |
| Interest Income                                         | 116.66                           | -                                                   | 116.66 | 213.01                           | -                                                   | 213.01 |
| Interest expenditure                                    | 80.69                            | -                                                   | 80.69  | 31.48                            | -                                                   | 31.48  |
| Income earned by way of dividend                        | 21.37                            | -                                                   | 21.37  | 21.90                            | -                                                   | 21.90  |
| Other Income                                            | 3.80                             | -                                                   | 3.80   | 6.18                             | -                                                   | 6.18   |
| Other expenditure                                       | 30.97                            | -                                                   | 30.97  | 24.16                            | -                                                   | 24.16  |
| Profit/(loss) on sale of land/building and other assets | 0.91                             | -                                                   | 0.91   | (0.83)                           | -                                                   | (0.83) |
| Management contracts                                    | -                                | 2.21                                                | 2.21   | -                                | 1.63                                                | 1.63   |

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

## 2.5 Accounting Standard-19 "Leases":

### 2.5.1 Finance Leases

Assets taken on Financial Leases on or after 1<sup>st</sup> April 2001:

The details of financial leases are given below:

(₹ in Crore)

| Particulars                                            | As at<br>31.03.2023 | As at<br>31.03.2022 |
|--------------------------------------------------------|---------------------|---------------------|
| <b>Total Minimum lease payments outstanding</b>        |                     |                     |
| Less than 1 year                                       | 75.21               | 66.04               |
| 1 to 5 years                                           | 233.10              | 140.00              |
| 5 years and above                                      | 49.63               | 56.83               |
| <b>Total</b>                                           | <b>357.94</b>       | <b>262.87</b>       |
| <b>Interest Cost payable</b>                           |                     |                     |
| Less than 1 year                                       | 21.95               | 11.61               |
| 1 to 5 years                                           | 38.63               | 20.83               |
| 5 years and above                                      | 7.97                | 11.75               |
| <b>Total</b>                                           | <b>68.55</b>        | <b>44.19</b>        |
| <b>Present value of minimum lease payments payable</b> |                     |                     |
| Less than 1 year                                       | 53.26               | 54.43               |
| 1 to 5 years                                           | 194.47              | 119.17              |
| 5 years and above                                      | 41.66               | 45.08               |
| <b>Total</b>                                           | <b>289.39</b>       | <b>218.68</b>       |

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forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

## 2.5.2 Operating Lease

**Premises taken on operating lease are given below:**

Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the group entities.

**Liability for Premises taken on Non-Cancellable operating lease are given below:**

(₹ in Crore)

| Particulars                                  | As at<br>31.03.2023 | As at<br>31.03.2022 |
|----------------------------------------------|---------------------|---------------------|
| Not later than 1 year                        | 126.19              | 172.58              |
| Later than 1 year and not later than 5 years | 272.86              | 279.17              |
| Later than 5 years                           | 163.27              | 183.89              |
| <b>Total</b>                                 | <b>562.32</b>       | <b>635.64</b>       |

Amount of lease payments recognized in the Profit & Loss Account for the year is ₹4,376.74 Crore (Previous Year ₹4,134.88 Crore).

## 2.6 Accounting Standard - 20 "Earnings per Share":

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 - "Earnings per Share". "Basic earnings" per share is computed by dividing consolidated net profit/ (loss) after tax (other than minority) by the weighted average number of equity shares outstanding during the year.

| Particulars                                                                         | Current Year  | Previous Year |
|-------------------------------------------------------------------------------------|---------------|---------------|
| <b>Basic and diluted</b>                                                            |               |               |
| Number of Equity Shares outstanding at the beginning of the year                    | 892,46,11,534 | 892,46,11,534 |
| Number of Equity Shares issued during the year                                      | 400           | Nil           |
| Number of Equity Shares outstanding at the end of the year                          | 892,46,11,934 | 892,46,11,534 |
| Weighted average number of equity shares used in computing basic earnings per share | 892,46,11,707 | 892,46,11,534 |
| Weighted average number of shares used in computing diluted earnings per share      | 892,46,11,707 | 892,46,11,534 |
| Net Profit/(Loss) for the Group (₹ in Crore)                                        | 55,648.17     | 35,373.88     |
| Basic earnings per share (₹)                                                        | 62.35         | 39.64         |
| Diluted earnings per share (₹)                                                      | 62.35         | 39.64         |
| Nominal value per share (₹)                                                         | 1.00          | 1.00          |

## 2.7 Accounting Standard-22 "Accounting for Taxes on Income":

- During the year, ₹4,342.79 Crore has been credited to Profit and Loss Account (Previous Year ₹520.09 Crore debited) on account of deferred tax.
- The breakup of deferred tax assets and liabilities into major items is given below:

(₹ in Crore)

| Particulars                                | As at<br>31.03.2023 | As at<br>31.03.2022 |
|--------------------------------------------|---------------------|---------------------|
| <b>Deferred Tax Assets (DTA)</b>           |                     |                     |
| Provision for long term employee Benefits  | 9,166.98            | 6,619.13            |
| Provision for advances                     | 6,484.72            | 5,093.33            |
| Provision for Other Assets/Other Liability | 3,736.75            | 3,650.06            |
| On Accumulated Losses                      | 48.47               | 37.38               |
| On Foreign Currency Translation Reserve    | 1,686.01            | 982.69              |
| Depreciation on Fixed Assets               | 394.58              | 305.20              |
| DTAs on account of FOs of SBI              | 476.14              | 409.56              |
| Others                                     | 259.90              | 189.94              |
| <b>Total</b>                               | <b>22,253.55</b>    | <b>17,287.29</b>    |

(₹ in Crore)

| Particulars                                                     | As at<br>31.03.2023 | As at<br>31.03.2022 |
|-----------------------------------------------------------------|---------------------|---------------------|
| <b>Deferred Tax Liabilities (DTL)</b>                           |                     |                     |
| Depreciation on Fixed Assets                                    | 43.77               | 41.80               |
| Interest accrued but not due on securities                      | 6,599.00            | 6,546.58            |
| Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 | 4,467.14            | 3,950.60            |
| DTLs on account of FOs of SBI                                   | 0.01                | 2.56                |
| Others                                                          | 11.05               | 6.21                |
| <b>Total</b>                                                    | <b>11,120.97</b>    | <b>10,547.75</b>    |
| <b>Net Deferred Tax Assets/(Liabilities)</b>                    | <b>11,132.58</b>    | <b>6,739.54</b>     |

- iii) SBI had exercised the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 from the financial year 2019-20 onwards.

## 2.8 Accounting Standard - 28 "Impairment of Assets":

In the opinion of the Management, there is no impairment to the non-monetary assets during the year.

## 2.9 Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Assets"

### ➤ Provisions and contingencies recognized in Profit and Loss Account:

The breakup of provisions is given in the table below:

(₹ in Crore)

| Sr. No. | Break up of "Provisions and Contingencies" shown under head Expenditure in Profit and loss account | Current Year     | Previous Year    |
|---------|----------------------------------------------------------------------------------------------------|------------------|------------------|
| a)      | Provision for Taxation                                                                             |                  |                  |
|         | - Current Tax                                                                                      | 23,182.65        | 12,859.32        |
|         | - Deferred Tax Asset created                                                                       | (4,342.79)       | 520.09           |
|         | - (Write Back)/Additional Provision of Income Tax                                                  | 0.27             | 3.05             |
| b)      | Provision on Non-Performing Assets                                                                 | 10,873.29        | 15,902.01        |
| c)      | Provision on Restructured Assets                                                                   | (46.41)          | (56.11)          |
| d)      | Provision on Standard Assets                                                                       | 5,641.50         | 4,581.82         |
| e)      | Provision for Depreciation on Investments                                                          | 1,483.88         | 3,471.78         |
| f)      | Other Provisions                                                                                   | 232.02           | 2,777.19         |
|         | <b>Total</b>                                                                                       | <b>37,024.41</b> | <b>40,059.15</b> |

(Figures in brackets indicate credit)

### ➤ Floating provisions:

(₹ in Crore)

| Sr. No. | Particulars               | Current Year  | Previous Year |
|---------|---------------------------|---------------|---------------|
| a)      | Opening Balance           | 193.75        | 193.75        |
| b)      | Addition during the year  | -             | -             |
| c)      | Draw down during the year | -             | -             |
| d)      | <b>Closing balance</b>    | <b>193.75</b> | <b>193.75</b> |

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## ➤ Description of contingent liabilities (AS-29):

| Sr. No. | Particulars                                                                                 | Brief Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Claims against the Group not acknowledged as debts                                          | The Group is a party to various proceedings in the normal course of business. It does not expect the outcome of these proceedings to have a material adverse effect on the Group's financial conditions, results of operations or cash flows. The Group is also a party to various taxation matters in respect of which appeals are pending.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 2.      | Liability on partly paid-up investments/Venture Funds                                       | This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 3.      | Liability on account of outstanding forward exchange contracts                              | The Group enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as contingent liabilities. With respect to the transactions entered into with its customers, the Group generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.                                                                                                                                                                                                                                             |
| 4.      | Guarantees given on behalf of constituents, acceptances, endorsements and other obligations | As a part of its commercial banking activities, the Group issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Group. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 5.      | Other items for which the Group is contingently liable                                      | The Group enters into currency options, forward rate agreements, currency swaps and interest rate swaps with inter-Bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as Contingent Liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by SBI on behalf of Associates & Subsidiaries, SBI's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities. |

The contingent liabilities mentioned above are dependent upon the outcome of court/ arbitration/ out of court settlements, disposal of appeals, the amount being called up, terms of contractual obligations, development and raising of demand by concerned parties, as the case may be.

## ➤ Movement of provisions against contingent liabilities:

The movement of provisions against contingent liabilities given in the table below:

| (₹ in Crore) |                                        |                 |                 |
|--------------|----------------------------------------|-----------------|-----------------|
| Sr. No.      | Particulars                            | Current Year    | Previous Year   |
| a)           | Opening Balance                        | 3,669.17        | 3,435.01        |
| b)           | Additions during the year              | 143.99          | 438.44          |
| c)           | Amount utilised during the year        | 86.65           | 7.43            |
| d)           | Unused amount reversed during the year | 611.18          | 196.85          |
| e)           | <b>Closing balance</b>                 | <b>3,115.33</b> | <b>3,669.17</b> |

3. Inter-Bank/Company balances between group entities are being reconciled on an ongoing basis and there is no material effect on the profit and loss account of the current year.
4. No disclosure on divergence in asset classification and provisioning for NPAs is required by SBI with respect to RBI's supervisory process for the year ended 31<sup>st</sup> March 2022, based on the conditions mentioned in RBI circular No. DOR.ACC.REC.No.74/21.04.018/2022-23 dated 11<sup>th</sup> October 2022.

5. **Counter Cyclical Provisioning Buffer (CCPB)**

RBI vide Circular No. DOR.STR.REC.10/21.04.048/2021-22 dated 5<sup>th</sup> May 2021 on 'Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer' has allowed the banks, to utilise up to 100 percent of CCPB held by them as on 31<sup>st</sup> December 2020, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank's Board of Directors.

During the year, SBI has not utilised the CCPB for making specific provision for NPAs.

6. SBI has made a provision of ₹2,490.00 Crore for the year ended 31<sup>st</sup> March 2023 towards arrears of wages due for revision w.e.f. 1<sup>st</sup> November 2022.
7. Pursuant to the revision in family pension payable to employees of the Bank covered under 11<sup>th</sup> Bi-Partite settlement and Joint Note dated 11<sup>th</sup> November 2020, SBI had provided for the entire additional liability of ₹7,418.39 Crore in the Profit and Loss Account for the year ended 31<sup>st</sup> March 2022. The same had been disclosed as an exceptional item.

There is no unamortized expenditure in the Balance Sheet on account of Family Pension Scheme.

8. The COVID-19 pandemic across the globe resulted in decline in economic activities and movement in financial markets. In this situation, SBI geared up to meet the challenges and has been evaluating the situation on an ongoing basis and had proactively provided against the challenges of likely stress on the SBI's assets. SBI's management is not expecting any significant impact on SBI's liquidity or profitability.
9. During the year ended 31<sup>st</sup> March 2023, SBI has revalued freehold immovable properties (earlier revalued in financial year 2019-2020) based on valuation reports obtained from external independent valuers and the closing balance of Revaluation Reserve as on 31<sup>st</sup> March 2023 (net of amount transferred to General Reserve) is ₹27,756.26 Crore (Previous Year ₹23,377.87 Crore).
10. In SBI Life Insurance Company Ltd. and SBI General Insurance Company Ltd., the actuarial valuation of liabilities in respect of life insurance policies in force, life insurance policies in respect of which premium has been discontinued but liability exists as at 31<sup>st</sup> March 2023, Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) are determined by the Appointed Actuary based on guidelines and norms issued by the Insurance Regulatory Development Authority of India ("IRDAI"/"Authority") and the Institute of Actuaries of India in concurrence with the Authority.
11. The investments of life and general insurance subsidiaries have been accounted for in accordance with the IRDAI guidelines instead of restating the same in accordance with the accounting policy followed by SBI. The investments of insurance subsidiaries constitute approximately 16.39% (Previous Year 15.33%) of the total investments as on 31<sup>st</sup> March 2023.
12. The Central Board of SBI has declared a dividend of ₹11.30 per share @ 1130% for the year ended 31<sup>st</sup> March 2023.
13. In accordance with RBI circular DBOD NO.BP.BC.42/21.01.02/2007-08, redeemable preference shares (if any) are treated as liabilities and the coupon payable thereon is treated as interest.

# SCHEDULES

forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31<sup>st</sup> March 2023

14. In accordance with current RBI guidelines, the general clarification issued by ICAI has been considered in the preparation of the consolidated financial statements. Accordingly, additional statutory information disclosed in separate financial statements of the parent and its subsidiaries having no bearing on the true and fair view of the consolidated financial statements and also the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements in view of the Accounting Standard Interpretation issued by ICAI.
15. Previous year figures have been regrouped/reclassified, wherever necessary, to conform to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines/Accounting Standards, previous year's figures have not been mentioned.

**Shri Alok Kumar Choudhary**  
Managing Director  
(Retail Business & Operations)

**Shri Ashwini Kumar Tewari**  
Managing Director  
(Risk, Compliance & SARG)

**Shri Swaminathan J.**  
Managing Director  
(Corporate Banking &  
Subsidiaries)

**Shri Challa Sreenivasulu Setty**  
Managing Director  
(International Banking, Global  
Markets & Technology)

In terms of our Report of even date  
**For K C Mehta & Co LLP**  
Chartered Accountants  
Firm Regn. No. 106237W/W100829

**Shri Dinesh Kumar Khara**  
Chairman

**Shri Chirag Bakshi**  
Partner  
Membership No. 047164

**Place: Mumbai**  
**Date: 18<sup>th</sup> May 2023**

# State Bank of India

Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2023

(000s omitted)

| Particulars                                                                                             | Year ended<br>31 <sup>st</sup> March 2023<br>(Current Year)<br>₹ | Year ended<br>31 <sup>st</sup> March 2022<br>(Previous Year)<br>₹ |
|---------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------------|
| <b>Cash Flow from Operating Activities</b>                                                              |                                                                  |                                                                   |
| Net Profit/(Loss) before taxes (including share in profit from associates and net of minority interest) | 74488,30,41                                                      | 48756,34,30                                                       |
| <b>Adjustments for:</b>                                                                                 |                                                                  |                                                                   |
| Depreciation on Fixed Assets                                                                            | 3695,59,86                                                       | 3691,27,00                                                        |
| (Profit)/Loss on sale of Fixed Assets (Net)                                                             | 29,03,16                                                         | 16,40,47                                                          |
| (Profit)/Loss on revaluation of Investments (Net)                                                       | 4922,60,98                                                       | 445,73,69                                                         |
| (Profit) on sale of Investments in Subsidiaries/ Joint Ventures/ Associates                             | -                                                                | (9,74,32)                                                         |
| Loss on sale of Investments in Subsidiaries/ Joint Ventures/ Associates                                 | -                                                                | -                                                                 |
| Provision for diminution in fair value & Non-Performing Assets                                          | 10826,88,16                                                      | 15845,89,97                                                       |
| Provision on Standard Assets                                                                            | 5641,50,51                                                       | 4581,81,42                                                        |
| Provision on non-performing Investments                                                                 | 1483,87,59                                                       | 3471,78,80                                                        |
| Other Provisions including provision for contingencies                                                  | 232,01,48                                                        | 2777,18,33                                                        |
| Share in Profit of Associates                                                                           | (1191,45,21)                                                     | (827,01,33)                                                       |
| Dividend from Associates                                                                                | (2,66,25)                                                        | (3,19,50)                                                         |
| Interest charged on Capital Instruments                                                                 | 6543,73,06                                                       | 5587,88,74                                                        |
|                                                                                                         | <b>106669,43,75</b>                                              | <b>84334,37,57</b>                                                |
| <b>Adjustments for:</b>                                                                                 |                                                                  |                                                                   |
| Increase/(Decrease) in Deposits                                                                         | 381124,90,62                                                     | 372079,35,89                                                      |
| Increase/(Decrease) in Borrowings other than Capital Instruments                                        | 54584,07,36                                                      | 11807,87,55                                                       |
| (Increase)/Decrease in Investments other than Investment in Subsidiaries/ Joint Ventures/ Associates    | (141597,38,45)                                                   | (183899,64,02)                                                    |
| (Increase)/Decrease in Advances                                                                         | (484653,00,71)                                                   | (309322,91,48)                                                    |
| Increase/(Decrease) in Other Liabilities                                                                | 75713,73,97                                                      | 86464,26,64                                                       |
| (Increase)/Decrease in Other Assets                                                                     | (60531,72,28)                                                    | 5255,82,79                                                        |
|                                                                                                         | <b>(68689,95,74)</b>                                             | <b>66719,14,94</b>                                                |
| Tax refund/(Taxes paid)                                                                                 | (17323,72,22)                                                    | (9024,30,30)                                                      |
| <b>Net Cash Generated from/(used in) Operating Activities (A)</b>                                       | <b>(86013,67,96)</b>                                             | <b>57694,84,64</b>                                                |
| <b>Cash Flow from Investing Activities</b>                                                              |                                                                  |                                                                   |
| Purchase of Shares in Subsidiaries/ Joint Ventures/ Associates                                          | -                                                                | (582,76,40)                                                       |
| Sale of Shares in Subsidiaries/ Joint Ventures/ Associates                                              | -                                                                | 2,22,96                                                           |
| Profit on sale of Investments in Subsidiaries/ Joint Ventures/ Associates                               | -                                                                | 9,74,32                                                           |
| (Loss) on sale of Investments in Subsidiaries/ Joint Ventures/ Associates                               | -                                                                | -                                                                 |
| Dividend from Associates                                                                                | 2,66,25                                                          | 3,19,50                                                           |
| (Increase) in Fixed Assets                                                                              | (4671,02,13)                                                     | (3305,26,01)                                                      |
| Decrease in Fixed Assets                                                                                | 627,38,98                                                        | 254,34,31                                                         |
| <b>Net Cash Generated from/(used in) Investing Activities (B)</b>                                       | <b>(4040,96,90)</b>                                              | <b>(3618,51,32)</b>                                               |

# State Bank of India

Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2023

(000s omitted)

| Particulars                                                                                | Year ended<br>31 <sup>st</sup> March 2023<br>(Current Year)<br>₹ | Year ended<br>31 <sup>st</sup> March 2022<br>(Previous Year)<br>₹ |
|--------------------------------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------------|
| <b>Cash Flow from Financing Activities</b>                                                 |                                                                  |                                                                   |
| Proceeds from issue of Equity shares including share premium (Net of share issue expenses) | 64                                                               | -                                                                 |
| Issue of Capital Instruments                                                               | 19533,09,26                                                      | 14074,00,00                                                       |
| Redemption of Capital Instruments                                                          | (2125,00,00)                                                     | (10518,30,00)                                                     |
| Interest paid on Capital Instruments                                                       | (6324,62,56)                                                     | (5411,00,89)                                                      |
| Dividend paid                                                                              | (6336,72,16)                                                     | (3569,84,46)                                                      |
| Dividend tax paid by Subsidiaries/Joint Ventures                                           | (1,22,83)                                                        | (86,64)                                                           |
| Increase/(Decrease) in Minority Interest                                                   | 1640,85,85                                                       | 1581,50,62                                                        |
| <b>Net Cash Generated from/(used in) Financing Activities (C)</b>                          | <b>6386,38,20</b>                                                | <b>(3844,51,37)</b>                                               |
| <b>Effect of Exchange Fluctuation on Translation Reserve (D)</b>                           | <b>3075,05,46</b>                                                | <b>966,26,65</b>                                                  |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C+D)</b>                      | <b>(80593,21,20)</b>                                             | <b>51198,08,60</b>                                                |
| <b>Cash and Cash Equivalents as at 1<sup>st</sup> April</b>                                | <b>398905,12,17</b>                                              | <b>347707,03,57</b>                                               |
| <b>Cash and Cash Equivalents as at 31st March</b>                                          | <b>318311,90,97</b>                                              | <b>398905,12,17</b>                                               |
| <b>Note:</b>                                                                               |                                                                  |                                                                   |
| <b>1 Components of Cash &amp; Cash Equivalents as at:</b>                                  | <b>31.03.2023</b>                                                | <b>31.03.2022</b>                                                 |
| Cash & Balances with Reserve Bank of India                                                 | 247321,04,97                                                     | 318492,43,01                                                      |
| Balances with Banks and money at call & short notice                                       | 70990,86,00                                                      | 80412,69,16                                                       |
| <b>Total</b>                                                                               | <b>318311,90,97</b>                                              | <b>398905,12,17</b>                                               |

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

**Shri Alok Kumar Choudhary**  
Managing Director  
(Retail Business & Operations)

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**Shri Challa Sreenivasulu Setty**  
Managing Director  
(International Banking, Global Markets & Technology)

In terms of our Report of even date  
**For K C Mehta & Co LLP**  
Chartered Accountants  
Firm Regn. No. 106237W/W100829

**Shri Dinesh Kumar Khara**  
Chairman

**Shri Chirag Bakshi**  
Partner  
Membership No. 047164

**Place: Mumbai**  
**Date: 18<sup>th</sup> May 2023**



# Independent Auditors' Report

To,  
**The Board of Directors,**  
**State Bank of India,**  
State Bank Bhavan,  
Madam Cama Road,  
Mumbai.

## Report on Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying Consolidated Financial Statements of State Bank of India ("the Bank") which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2023, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year then ended, and Notes to Consolidated Financial Statements including a summary of Significant Accounting Policies and other explanatory information which includes:

- a) Audited Standalone Financial Statements of the Bank which have been Audited by all the twelve Statutory Central Auditors including us;
- b) Audited Financial Statements of 26 Subsidiaries, 8 Jointly Controlled Entities (includes Financial Statements of Jio Payments Bank Ltd. upto 22<sup>nd</sup> January 2023) and 18 Associates (includes Financial Statements of Jio Payments Bank Ltd. from 23<sup>rd</sup> January 2023 and including 14 Regional Rural Banks) audited by other Auditors; and (listed in Annexure A);
- c) Un-audited Financial Statements of 1 Subsidiary and 1 Associate (listed in Annexure A).

The above entities together with the Bank are referred to as the 'Group'.

In our opinion and to the best of our information and according to the explanations given to us, and based on our consideration of the reports of other auditors on separate financial statements of subsidiaries, jointly controlled entities and associates, the unaudited financial statements and the other financial information

of subsidiaries as furnished by the management, the aforesaid Consolidated Financial Statements are in conformity with accounting principles generally accepted in India and give:

- a) true and fair view in case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31<sup>st</sup> March 2023;
- b) true balance of profit in case of Consolidated Profit & Loss Account for the year ended on that date; and
- c) true and fair view in case of Consolidated Cash Flow Statement for the year ended on that date.

### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the code of ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Consolidated Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

3. Key Audit Matters are those matters that in our professional judgement were of most significance in our audit of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters of the Bank to be communicated in our report:

# Independent Auditors' Report

| Sr. No.                                                                           | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <b>Key Audit matters reported in standalone financial statements of the Bank:</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| i.                                                                                | <p>Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances (Refer Schedule 9 read with Note 3 of Schedule 17 to the financial statements):</p> <p>Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances.</p> <p>Advances constitute 58.45% of the Bank's total assets. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non-performing Advances (NPA) except in case of foreign offices, classification of advances and provisioning thereof is made as per local regulations or RBI guidelines, whichever is more stringent. The Bank classifies these Advances based on IRAC norms as per its accounting policy No. 3.</p> <p>Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which identifies whether the advances are performing or non-performing.</p> <p>The bank is in the continuous process to upgrade existing &amp; implement new IT applications in various areas of its business operations, including income recognition and asset classification in terms of RBI Circular Ref.No. Dos. CO. PPG./ SEC.03/11.01.005/2020-21 dated 14<sup>th</sup> September 2020. These applications require detailed testing, verifications and UAT before final implementation. The financial impact pending such implementation is not likely to be material as per the management.</p> <p>Further, NPA classification and calculation of provision (except in case of foreign offices) is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application Software and other processes.</p> <p>The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed.</p> | <p>Our audit approach towards advances with reference to the IRAC norms and other related circulars/directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of controls on sample basis,</p> <ol style="list-style-type: none"> <li>The accuracy of the data input in the system for income recognition, classification into performing and non performing Advances and provisioning in accordance with the IRAC norms in respect of the branches audited by us;</li> <li>Existence and effectiveness of monitoring mechanisms such as Internal Audit, Systems Audit, Credit Audit and Concurrent Audit as per the policies and procedures of the Bank;</li> <li>Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines/ Judicial pronouncements;</li> <li>We have relied on the reports of IT System Audit by IAD with respect to the business logics / parameters inbuilt in CBS and CCDP for tracking, identification and stamping of NPAs and provisioning in respect thereof.</li> <li>We tested the mapping of advances in the CCDP application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circulars/directions.</li> <li>We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection.</li> <li>In carrying out substantive procedures at the branches audited by us, we have examined large advances/ stressed advances while other advances have been examined on a sample basis including review of valuation reports of independent valuers provided by the Bank's management.</li> <li>We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision;</li> <li>Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication.</li> </ol> |

| Sr. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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|         | <p>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgement involved in valuation of securities and calculation of provisions, it is a matter of high importance for the intended users of the Standalone Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>j. Bank has laid down detailed Standard Operating Procedure to ensure control over processes. We have relied on these Standard Operating Procedures and have conducted our testing based on these Standard Operating Procedures.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| ii.     | <p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements):</p> <p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities.</p> <p>Investments constitute 28.69% of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against.</p> <p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FIMMDA rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of non performing investments and provisioning related to investments.</p> | <p>Our audit approach towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non performing investments (NPIs), provisioning/depreciation related to Investments. In particular ;</p> <p>a. We understood and evaluated the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, provisioning/depreciation related to investments;</p> <p>b. We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;</p> <p>c. For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample;</p> <p>d. We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision;</p> <p>e. We carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs;</p> <p>f. We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.</p> |

# Independent Auditors' Report

| Sr. No.                                                                                 | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| iii.                                                                                    | <p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 18.13 of Schedule 18 to the financial statements):</p> <p>There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgement, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgement in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.</p> | <p>Our audit approach involved:</p> <ol style="list-style-type: none"> <li>Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances;</li> <li>Understanding the current status of the litigations/ tax assessments including the status up to the date of auditor's report;</li> <li>Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;</li> <li>Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of our internal tax experts;</li> <li>Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and</li> <li>Verification of disclosures related to significant litigations and taxation matters.</li> </ol> |
| <b>Key Audit Matters as reported by auditors of SBI Life Insurance Company Limited:</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| iv.                                                                                     | <p>Information Technology systems and controls (IT Controls):</p> <p>All insurance companies are highly dependent on technology due to significant number of transactions that are processed daily. A significant part of the company's financial processes is heavily reliant on IT systems with automated processes and controls over the capturing, valuing and recording of transactions. Thus, there exists a risk that gaps in the IT Control Environment could result in the financial accounting and reporting records being materially misstated.</p> <p>The company uses several systems for its overall financial reporting. We have identified "IT systems and controls" as key audit matters because of significant use of IT system and the scale and complexity of the IT architecture.</p>                                                                                                                                                                                                                                                              | <p>Principal audit procedures:</p> <ul style="list-style-type: none"> <li>Sample testing of key control over IT systems having impact on financial accounting and reporting.</li> <li>Assessed the IT system processes for effectiveness of some of the key controls with respect to financial accounting and reporting records by sample testing; and</li> <li>Our audit approach relies on automated controls and therefore procedures are designed to test control over IT systems, segregation of duties, interface and system application controls over key financial accounting and reporting systems.</li> <li>Reviewed the report of independent information system auditors which has confirmed the various system control measures adopted by the company.</li> </ul>                                                                                                                                                                                                                                                                                                              |

| Sr. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| v.      | <p><b>Valuation of Investments:</b></p> <p>The company's investment portfolio consists of Policyholders' investments (traditional and unit linked policy holders) and Shareholders investment.</p> <p>Total investment portfolio of the company (i.e Asset under management (AUM)) represents 99.3 per cent of the Company's total assets.</p> <p>Investments are made and valued in accordance with Insurance Act, 1938, IRDAI (Investment) Regulations, 2016 ("Investment Regulation"), IRDAI (Preparation of Financial Statement Regulation), 2002 ("Financial Statement Regulations"), Investment Policy of the Company and relevant Indian GAAPs.</p> <p>These valuation methods used multiple observable market inputs, including observable interest rate, index levels, credit spreads, equity prices, counter party credit quality, and corresponding market volatility levels etc.</p> <p>The portfolio of quoted investments is 34.4 per cent of the Company's AUM and the portfolio of investments that are valued primarily using observable inputs is 63.7 per cent of the Company's AUM. We do not consider these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid, quoted investments. However, due to their materiality in the context of the standalone financial statements as a whole, they are considered to be one of the areas which had the significant impact on our overall strategy.</p> <p>The portfolio of unquoted investments is 1.4 per cent of the Company's AUM. The valuation of unquoted investment involves judgement depending on the observability of the inputs into the valuation and further judgement in determining the appropriate valuation methodology where external pricing sources are either not readily available or are unreliable.</p> <p>The valuation of these investment was considered to be one of the areas which required significant auditor attention and was one of the matter of significance in the financial statements due to the materiality of total value of investments to the financial statements.</p> | <p><b>Principal Audit Procedures:</b></p> <ul style="list-style-type: none"> <li>• We assessed appropriateness of the pricing methodologies with reference to IRDAI Investment Regulations, Financial Statement Regulation, Company's internal investment and valuation policy.</li> <li>• Assessed the process and tested the operating effectiveness of the key controls, including the Company's review and approval of the estimates and assumptions used for the valuation including key authorisation and data input controls.</li> <li>• Fair value is best evidenced by quoted market prices in an active market. Where quoted market prices are not available, the quoted prices of similar products or valuation models with observable market based inputs are used to estimate fair value. The calculation of estimated fair value is based on market conditions at a specific point in time and may not be reflective of future values.</li> <li>• For quoted investments, the valuation was done in accordance with the independent prices sources / market prices in an active market.</li> <li>• For unquoted investments, we critically evaluated the valuation assessment and resulting conclusions in order to determine the appropriateness of the valuation recorded with reference to the assessment made by the management for such valuation.</li> </ul> |

# Independent Auditors' Report

| Sr. No.                                                                          | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| vi.                                                                              | <p>Contingent Liabilities and Litigations:</p> <p>The company has pending litigation matters with various appellate authorities and at different forums. The same involves judgements in accordance with applicable Accounting Standards to determine the final outcome of such litigation matters.</p> <p>The management with the help of its experts as needed have made judgements relating to the likelihood of an obligation arising and whether there is a need to recognize a provisional disclose a contingent liability. We therefore focused on this area as a result of uncertainty and potential material impact.</p> | <p>Principal Audit Procedures:-</p> <ul style="list-style-type: none"> <li>• We read the various regulatory correspondences and related documents pertaining to litigation cases and corroborated them with our understanding of legal position as various statutes.</li> <li>• We obtained legal opinion sought by management from the independent legal counsel including opinion of our own team to review the sustainability of the dispute. We discussed the status and potential exposure in respect of significant litigation with the company's internal legal team and obtaining details regarding the progress of various litigation including management views on the likely outcome of each litigation and the magnitude of potential exposure.</li> <li>• The various litigation matters were reviewed in order to assess the facts and circumstances and to identify the potential exposures and to satisfy ourselves that it is not probable that an outflow of economic benefits will be required, or in certain cases where the amount can not be estimated reliably, such obligation is disclosed by the company as a contingent liability.</li> </ul> |
| <b>Key Audit Matters as reported by auditors of SBI Capital Markets Limited:</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| vii.                                                                             | <p>Evaluation of uncertain tax positions:</p> <p>The company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p>                                                                                                                                                                                                                                                                                                                                                                                                   | <p>Principal Audit Procedures:</p> <p>We evaluated the Company's processes and controls for monitoring the tax disputes.</p> <p>Obtained risk assessment of tax litigation from our internal tax expert to assess management's judgement and assumption on such matters to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. They also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

## Information Other than the Consolidated Financial Statements and Auditors' Report thereon

- The Bank's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance report (but does not include the Consolidated Financial Statements and our auditors' report thereon), which will be obtained at the time of issue of this auditors' report, and the Directors' Report of the Bank including annexures in annual report, if any, thereon, which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the Consolidated Financial Statements does not cover the other information and Pillar 3 disclosures under Basel III Disclosure and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Director's Report of the Bank, including annexures in annual report, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

5. The Bank's Board of Directors is responsible with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standard 21 - "Consolidated Financial Statements", Accounting Standards 23 - "Accounting for Investment in Associates in Consolidated Financial Statements" and Accounting Standards 27 - Financial Reporting of Interest in Joint Venture" issued by the Institute of Chartered Accountants of India, and provisions of Section 29 of the Banking Regulation Act, 1949, the State Bank of India Act, 1955 and circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Banking Regulations Act, 1949 and applicable laws for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, respective Board of Directors of the Group Entities is responsible for assessing the respective Group Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group

Entities or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors of the Group Entities are also responsible for overseeing the respective Group Entity's financial reporting process.

### **Auditors' Responsibility for the Audit of Consolidated Financial Statements**

6. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As a part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated



# Independent Auditors' Report

Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group Entity to cease to continue as a going concern.

- Evaluate the overall presentation structure and content of the Consolidated Financial Statements, including the disclosures and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Associates and Jointly Controlled Entities of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and

other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

7. Incorporated in these consolidated financial statements are the:
  - a) We did not audit the financial statements / information of 5771 branches (including 34 Foreign branches) included in the Standalone Financial Statements of the Bank whose financial statements/ financial information reflects total assets of ₹26,98,825.09 Crore at March 31, 2023 and total revenue of ₹1,73,752.95 Crore for the year ended on that date, as considered in the Standalone Financial Statements. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.
  - b) We did not audit the financial statements of 26 Subsidiaries, 8 Jointly Controlled Entities (includes relevant disclosures of Jio Payments Bank Ltd. upto 22<sup>nd</sup> January 2023) whose financial statements reflect total assets of ₹4,63,803.28 Crore as at March 31, 2023, total revenues of ₹1,10,740.11 Crore for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of ₹1,181.00 Crore for the year ended March 31, 2023, as considered in the Consolidated Financial Statements, in respect of 18 associates



(includes relevant disclosures of Jio Payments Bank Ltd. from 23<sup>rd</sup> January 2023), whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

- c) We did not audit the financial statements of 1 subsidiary whose financial statements reflect total assets of ₹8,854.33 Crore as at March 31, 2023, total revenues of ₹421.77 Crore as considered in Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of ₹10.45 Crore for the year ended March 31, 2023, as considered in the Consolidated Financial Statements, in respect of 1 associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associate, and our report relates to the aforesaid subsidiary and associate, in so far as is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

8. The auditors of SBI Life Insurance Company Limited and SBI General Insurance Company Limited, subsidiaries of the Group, have reported that the actuarial valuation of liabilities for life policies in force and the actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR) and Claims Not Incurred But Not Enough Reported (IBNER) is the responsibility of

the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31<sup>st</sup> March 2023 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory Development Authority of India ("IRDAI"/"Authority") and the Institute of Actuaries of India in concurrence with the Authority. The auditors have relied upon Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists in financial statements of the Company.

## Report on Other Legal and Regulatory Requirements

9. The Consolidated Balance Sheet and the Consolidated Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949; and these give information as required to be given by virtue of the provisions of the State Bank of India Act, 1955 and regulations thereunder.

Subject to the limitations of the audit indicated in paragraph 5 to 8 above and as required by the State Bank of India Act, 1955, and subject also to the limitations of disclosure required therein, we report that:

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
- The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

10. We further report that:

- In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and the reports of the other auditors and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

# Independent Auditors' Report

- b) the Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
  - c) the reports on the accounts of the branch offices audited by branch auditors of the Bank as per the provisions of the Section 29 of the Banking Regulation Act, 1949, and the State Bank of India Act, 1955 have been sent to us and have been properly dealt with by us in preparing this report; and
  - d) in our opinion, the Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
11. As required by letter No. DOS.ARG. No.6270/08.91.001/2019-20 dated 17<sup>th</sup> March 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated 19<sup>th</sup> May 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:
- a) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Bank.
  - b) On the basis of the written representations received from the directors of the Bank as on 31<sup>st</sup> March 2023 taken on record by the Board of Directors of the Bank and the reports of the statutory auditors of its subsidiary, associate companies and jointly controlled entities incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31<sup>st</sup> March 2023 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
  - c) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
  - d) As per para 1.14 of the Technical Guide on Audit of Internal Financial Controls in Case of Public Sector Banks issued by ICAI, the reporting requirement as introduced by RBI regarding Internal Financial Control over Financial Reporting will apply only to standalone financial statements of Public Sector Banks (PSBs) and not to consolidated financial statements of PSBs. Accordingly, reporting is not done on the Group's Internal Financial Control over Financial Reporting with reference to the Consolidated Financial Statements as at March 31, 2023.

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

**Chirag Bakshi**  
Partner

Place: Mumbai  
Date: 18th May 2023

Membership No. 047164  
UDIN: 23047164BGVCQY6864

## Annexure A: List of entities consolidated as at 31<sup>st</sup> March 2023

| Sr. No. | Name of Subsidiary                                                                  | Sr. No. | Name of Subsidiary                                                                      |
|---------|-------------------------------------------------------------------------------------|---------|-----------------------------------------------------------------------------------------|
| 1.      | SBI Capital Markets Ltd.                                                            | 15.     | SBI-SG Global Securities Services Pvt. Ltd.                                             |
| 2.      | SBICAP Securities Ltd.                                                              | 16.     | SBI Funds Management Ltd.                                                               |
| 3.      | SBICAP Trustee Company Ltd.                                                         | 17.     | SBI Funds Management (International) Private Ltd.                                       |
| 4.      | SBICAP Ventures Ltd.                                                                | 18.     | Commercial Indo Bank Llc, Moscow                                                        |
| 5.      | SBICAP (Singapore) Ltd. <b>(upto 30<sup>th</sup> November 22)</b>                   | 19.     | SBI Canada Bank - <b>Unaudited</b>                                                      |
| 6.      | SBI DFHI Ltd.                                                                       | 20.     | State Bank of India (California)                                                        |
| 7.      | SBI Global Factors Ltd.                                                             | 21.     | State Bank of India (UK) Limited                                                        |
| 8.      | SBI Infra Management Solutions Pvt. Ltd. <b>(upto 30<sup>th</sup> September 22)</b> | 22.     | State Bank of India Servicios Limitada                                                  |
| 9.      | SBI Mutual Fund Trustee Company Pvt Ltd.                                            | 23.     | SBI (Mauritius) Ltd.                                                                    |
| 10.     | SBI Payment Services Pvt. Ltd.                                                      | 24.     | PT Bank SBI Indonesia                                                                   |
| 11.     | SBI Pension Funds Pvt Ltd.                                                          | 25.     | Nepal SBI Bank Ltd.                                                                     |
| 12.     | SBI Life Insurance Company Ltd.                                                     | 26.     | Nepal SBI Merchant Banking Limited                                                      |
| 13.     | SBI General Insurance Company Ltd.                                                  | 27.     | State Bank Operations Support Services Pvt. Ltd. <b>(w.e.f 26<sup>th</sup> July 22)</b> |
| 14.     | SBI Cards and Payment Services Limited                                              |         |                                                                                         |
| Sr. No. | Name of Joint venture                                                               | Sr. No. | Name of Joint venture                                                                   |
| 1.      | C - Edge Technologies Ltd.                                                          | 5.      | Macquarie SBI Infrastructure Trustee Ltd.                                               |
| 2.      | SBI Macquarie Infrastructure Management Pvt. Ltd.                                   | 6.      | Oman India Joint Investment Fund – Management Company Pvt. Ltd.                         |
| 3.      | SBI Macquarie Infrastructure Trustee Pvt. Ltd.                                      | 7.      | Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.                            |
| 4.      | Macquarie SBI Infrastructure Management Pte. Ltd.                                   | 8.      | Jio Payments Bank Ltd. <b>(upto 22<sup>nd</sup> January 23)</b>                         |
| Sr. No. | Name of Associates                                                                  | Sr. No. | Name of Associates                                                                      |
| 1.      | Andhra Pradesh Grameena Vikas Bank                                                  | 11.     | Jharkhand Rajya Gramin Bank                                                             |
| 2.      | Arunachal Pradesh Rural Bank                                                        | 12.     | Saurashtra Gramin Bank                                                                  |
| 3.      | Chhattisgarh Rajya Gramin Bank                                                      | 13.     | Rajasthan Marudhara Gramin Bank                                                         |
| 4.      | EllaquaiDehati Bank                                                                 | 14.     | Telangana Grameena Bank                                                                 |
| 5.      | Meghalaya Rural Bank                                                                | 15.     | The Clearing Corporation of India Ltd.                                                  |
| 6.      | Madhyanchal Gramin Bank                                                             | 16.     | Yes Bank Limited                                                                        |
| 7.      | Mizoram Rural Bank                                                                  | 17.     | Bank of Bhutan Ltd. - <b>Unaudited</b>                                                  |
| 8.      | Nagaland Rural Bank                                                                 | 18.     | Investec Capital Services (India) Private Limited                                       |
| 9.      | Utkal Grameen Bank                                                                  | 19.     | Jio Payments Bank Ltd. <b>(w.e.f 23<sup>rd</sup> January 23)</b>                        |
| 10.     | Uttarakhand Gramin Bank                                                             |         |                                                                                         |

# Pillar 3 Disclosures

(Consolidated) as on 31.03.2023

## DF-1: SCOPE OF APPLICATION

"State Bank of India is the parent company to which the Basel III Framework applies. The consolidated financial statements of the group conform to Generally Accepted Accounting Principles (GAAP) in India, comprising regulatory norms, directions & guidelines prescribed by the Reserve Bank of India (RBI), statutory guidelines of the State Bank of India Act, 1955, the Banking Regulations Act, 1949, Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA), SEBI (Mutual Funds) Regulations, 1996, Companies Act 2013, Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and the accounting practices prevalent in India."

### (i) Qualitative Disclosures:

#### a) List of group entities considered for consolidation for the period ended 31.03.2023

The following subsidiaries, joint ventures and associates are considered for the preparation of consolidated financial statements of SBI Group.

| Sr. No. | Name of the entity                                | Country of incorporation | Whether the entity is included under accounting scope of consolidation (yes / no) | Explain the method of consolidation | Whether the entity is included under regulatory scope of consolidation (yes / no) | Explain the method of consolidation | Explain the reasons for difference in the method of consolidation | Explain the reasons if consolidated under only one of the scopes of consolidation |
|---------|---------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| 1       | SBI Capital Markets Ltd.                          | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 2       | SBICAP Securities Ltd.                            | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 3       | SBICAP Ventures Ltd.                              | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 4       | SBICAP Trustee Company Ltd.                       | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 5       | SBICAP (Singapore) Ltd (upto 30.11.2022)          | Singapore                | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 6       | SBI DFHI Ltd.                                     | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 7       | SBI Payment Services Pvt. Ltd.                    | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 8       | SBI Global Factors Ltd.                           | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 9       | SBI Pension Funds Pvt Ltd.                        | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 10      | SBI -SG Global Securities Pvt. Ltd.               | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 11      | SBI Mutual Fund Trustee Company Pvt Ltd.          | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 12      | SBI Funds Management Ltd.                         | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 13      | SBI Funds Management (International) Private Ltd. | Mauritius                | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |

| Sr. No. | Name of the entity                                               | Country of incorporation | Whether the entity is included under accounting scope of consolidation (yes / no) | Explain the method of consolidation | Whether the entity is included under regulatory scope of consolidation (yes / no) | Explain the method of consolidation | Explain the reasons for difference in the method of consolidation | Explain the reasons if consolidated under only one of the scopes of consolidation |
|---------|------------------------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| 14      | SBI Cards and Payment Services Ltd.                              | India                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 15      | State Bank of India (California)                                 | USA                      | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 16      | SBI Canada Bank                                                  | Canada                   | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 17      | Commercial Indo Bank Llc, Moscow                                 | Russia                   | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 18      | SBI (Mauritius) Ltd.                                             | Mauritius                | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 19      | PT Bank SBI Indonesia                                            | Indonesia                | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 20      | Nepal SBI Bank Ltd.                                              | Nepal                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 21      | Nepal SBI Merchant Banking Ltd.                                  | Nepal                    | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 22      | State Bank of India (UK) Limited                                 | UK                       | Yes                                                                               | Consolidated as per AS 21           | Yes                                                                               | Consolidated as per AS 21           | Not applicable                                                    | Not applicable                                                                    |
| 23      | State Bank of India Servicios Limitada                           | Brazil                   | Yes                                                                               | Consolidated as per AS 21           | No                                                                                | Not applicable                      | Not applicable                                                    | Non-financial Subsidiary: Not under scope of Regulatory Consolidation             |
| 24      | SBI Infra Management Solutions Private Limited (upto 30.09.2022) | India                    | Yes                                                                               | Consolidated as per AS 21           | No                                                                                | Not applicable                      | Not applicable                                                    | Non-financial Subsidiary: Not under scope of Regulatory Consolidation             |
| 25      | State Bank Operations Support Services Pvt. Ltd.                 | India                    | Yes                                                                               | Consolidated as per AS 21           | No                                                                                | Not applicable                      | Not applicable                                                    | Non-financial Subsidiary: Not under scope of Regulatory Consolidation             |
| 26      | SBI Life Insurance Company Ltd.                                  | India                    | Yes                                                                               | Consolidated as per AS 21           | No                                                                                | Not applicable                      | Not applicable                                                    | Insurance Joint Venture: Not under scope of Regulatory Consolidation              |
| 27      | SBI General Insurance Company Ltd.                               | India                    | Yes                                                                               | Consolidated as per AS 21           | No                                                                                | Not applicable                      | Not applicable                                                    | Insurance Joint Venture: Not under scope of Regulatory Consolidation              |
| 28      | C - Edge Technologies Ltd.                                       | India                    | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Non-financial Joint Venture: Not under scope of Regulatory Consolidation          |
| 29      | SBI Macquarie Infrastructure Management Pvt. Ltd.                | India                    | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Joint Venture: Not under scope of Regulatory Consolidation                        |
| 30      | SBI Macquarie Infrastructure Trustee Pvt. Ltd.                   | India                    | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Non-financial Joint Venture: Not under scope of Regulatory Consolidation          |
| 31      | Macquarie SBI Infrastructure Management Pte. Ltd.                | Singapore                | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Joint Venture: Not under scope of Regulatory Consolidation                        |

## Pillar 3 Disclosures

| Sr. No. | Name of the entity                               | Country of incorporation | Whether the entity is included under accounting scope of consolidation (yes / no) | Explain the method of consolidation | Whether the entity is included under regulatory scope of consolidation (yes / no) | Explain the method of consolidation | Explain the reasons for difference in the method of consolidation | Explain the reasons if consolidated under only one of the scopes of consolidation |
|---------|--------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| 32      | Macquarie Infrastructure Trustee Ltd.            | SBI Bermuda              | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Joint Venture: Not under scope of Regulatory Consolidation                        |
| 33      | Oman Investment - Management Company Pvt. Ltd.   | India                    | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Joint Venture: Not under scope of Regulatory Consolidation                        |
| 34      | Oman Investment Fund - Trustee Company Pvt. Ltd. | India                    | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Joint Venture: Not under scope of Regulatory Consolidation                        |
| 35      | Jio Payments Limited (upto 22.01.2023)           | India                    | Yes                                                                               | Consolidated as per AS 27           | No                                                                                | Not applicable                      | Not applicable                                                    | Joint Venture: Not under scope of Regulatory Consolidation                        |
|         | Jio Payments Limited (from 23.01.2023)           | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 36      | Andhra Pradesh Grameena Vikas Bank               | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 37      | Arunachal Rural Bank                             | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 38      | Chhattisgarh Gramin Bank                         | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 39      | Ellaquai Dehati Bank                             | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 40      | Meghalaya Rural Bank                             | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 41      | Madhyanchal Gramin Bank                          | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 42      | Mizoram Rural Bank                               | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 43      | Nagaland Rural Bank                              | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 44      | Utkal Grameen Bank                               | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |
| 45      | Uttarakhand Gramin Bank                          | India                    | Yes                                                                               | Consolidated as per AS 23           | No                                                                                | Not applicable                      | Not applicable                                                    | Associate: Not under scope of Regulatory Consolidation                            |

| Sr. No. | Name of the entity                     | Country of incorporation | Whether the entity is included under accounting scope of consolidation (yes / no) | Explain the method of consolidation | Whether the entity is included under regulatory scope of consolidation (yes / no) | Explain the method of consolidation | Explain the reasons for difference in the method of consolidation | Explain the reasons if consolidated under only one of the scopes of consolidation |                                                        |
|---------|----------------------------------------|--------------------------|-----------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------|
| 46      | Jharkhand Gramin Bank                  | Rajya                    | India                                                                             | Yes                                 | Consolidated as per AS 23                                                         | No                                  | Not applicable                                                    | Not applicable                                                                    | Associate: Not under scope of Regulatory Consolidation |
| 47      | Saurashtra Gramin Bank                 | Gramin                   | India                                                                             | Yes                                 | Consolidated as per AS 23                                                         | No                                  | Not applicable                                                    | Not applicable                                                                    | Associate: Not under scope of Regulatory Consolidation |
| 48      | Rajasthan Marudhara Gramin Bank        | Marudhara                | India                                                                             | Yes                                 | Consolidated as per AS 23                                                         | No                                  | Not applicable                                                    | Not applicable                                                                    | Associate: Not under scope of Regulatory Consolidation |
| 49      | Telangana Grameena Bank                | Grameena                 | India                                                                             | Yes                                 | Consolidated as per AS 23                                                         | No                                  | Not applicable                                                    | Not applicable                                                                    | Associate: Not under scope of Regulatory Consolidation |
| 50      | The Clearing Corporation of India Ltd. | Clearing of India        | India                                                                             | Yes                                 | Consolidated as per AS 23                                                         | No                                  | Not applicable                                                    | Not applicable                                                                    | Associate: Not under scope of Regulatory Consolidation |
| 51      | Yes Bank Ltd.                          |                          | India                                                                             | Yes                                 | Consolidated as per AS 23                                                         | No                                  | Not applicable                                                    | Not applicable                                                                    | Associate: Not under scope of Regulatory Consolidation |
| 52      | Bank of Bhutan Ltd.                    |                          | Bhutan                                                                            | Yes                                 | Consolidated as per AS 23                                                         | No                                  | Not applicable                                                    | Not applicable                                                                    | Associate: Not under scope of Regulatory Consolidation |
| 53      | Investec Services Private Limited      | Capital (India)          | India                                                                             | Yes                                 | Consolidated as per AS 23                                                         | No                                  | Not applicable                                                    | Not applicable                                                                    | Associate: Not under scope of Regulatory Consolidation |

**b. List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation as on 31.03.2023**

| Sr. No. | Name of the entity                                               | Country of incorporation | Principal activity of the entity                                                      | Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) | % of bank's holding in the total equity | Regulatory treatment of bank's investments in the capital instruments of the entity | Total balance sheet assets (as stated in the accounting balance sheet of the legal entity) |
|---------|------------------------------------------------------------------|--------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| 1       | SBI Foundation                                                   | India                    | A Not-for-Profit Company to focus on Corporate Social Responsibility (CSR) Activities | 229.73                                                                                     | 99.72%                                  | Deducted from regulatory capital                                                    | 230.02                                                                                     |
| 2       | SBI Home Finance Ltd.                                            | India                    | Under winding up                                                                      | N.A.                                                                                       | 26.00%                                  | Risk weighted                                                                       | N.A.                                                                                       |
| 3       | SBI Infra Management Solutions Private Limited (from 01.10.2022) | India                    | Under winding up                                                                      | 3.98                                                                                       | 100%                                    | Deducted from regulatory capital                                                    | 3.96                                                                                       |

## Pillar 3 Disclosures

### (ii) Quantitative Disclosures:

#### c. List of group entities considered for regulatory consolidation as on 31.03.2023

Following is the list of group entities considered under regulatory scope of consolidation:

(₹ In Crore)

| Sr. No. | Name of the entity                        | Country of incorporation | Principal activity of the entity                                                                        | Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) <sup>s</sup> | Total balance sheet assets (as stated in the accounting balance sheet of the legal entity) <sup>#</sup> | Remarks |
|---------|-------------------------------------------|--------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------|
| 1       | SBI Capital Markets Ltd                   | India                    | Merchant Banking and Advisory Services                                                                  | 2,613.03                                                                                                | 2,877.61                                                                                                |         |
| 2       | SBICAP Securities Ltd                     | India                    | Securities Broking & its allied services and third-party distribution of financial products             | 1,084.19                                                                                                | 1,924.76                                                                                                |         |
| 3       | SBICAP Trustee Company Ltd                | India                    | Corporate Trusteeship Activities                                                                        | 178.64                                                                                                  | 182.31                                                                                                  |         |
| 4       | SBICAPS Ventures Ltd                      | India                    | Asset Management Company for Venture Capital Fund                                                       | 188.95                                                                                                  | 254.73                                                                                                  |         |
| 5       | SBICAP (Singapore) Ltd (upto 30.11.2022)  | Singapore                | Business & management Consultancy Services                                                              | -                                                                                                       | -                                                                                                       |         |
| 6       | SBI DFHI Ltd                              | India                    | Primary Dealer in Govt. Securities                                                                      | 1,247.71                                                                                                | 17,033.54                                                                                               |         |
| 7       | SBI Mutual Fund Trustee Co. Pvt Ltd       | India                    | Trusteeship Services to schemes floated by SBI Mutual Fund                                              | 40.49                                                                                                   | 40.75                                                                                                   |         |
| 8       | SBI Global Factors Ltd                    | India                    | Factoring Activities                                                                                    | 408.28                                                                                                  | 1,280.62                                                                                                |         |
| 9       | SBI Pension Funds Pvt Ltd                 | India                    | Management of assets of NPS Trust allocated to them and acting as PoP for onboarding of NPS subscribers | 150.21                                                                                                  | 155.98                                                                                                  |         |
| 10      | SBI Payments Services Pvt Ltd             | India                    | Payment Solutions related to Merchant Acquiring Business duly enabling cashless / digital transactions  | 1,494.78                                                                                                | 1,951.27                                                                                                |         |
| 11      | SBI Funds Management Ltd                  | India                    | Asset Management Services to schemes floated by SBI Mutual Fund                                         | 4,539.40                                                                                                | 4,675.99                                                                                                |         |
| 12      | SBI Funds Mgt. (International) Ltd        | Mauritius                | Investment Management Services                                                                          | 0.63                                                                                                    | 2.22                                                                                                    |         |
| 13      | SBI Cards & Payment Services Ltd          | India                    | Credit Cards Business                                                                                   | 9,069.16                                                                                                | 44,792.65                                                                                               |         |
| 14      | SBI-SG Global Securities Services P. Ltd. | India                    | Custody and Fund accounting services                                                                    | 422.73                                                                                                  | 716.96                                                                                                  |         |
| 15      | State Bank of India (California)          | USA                      | Banking Services                                                                                        | 1,288.73                                                                                                | 8,965.57                                                                                                |         |
| 16      | SBI Canada Bank                           | Canada                   | Banking Services                                                                                        | 1,103.23                                                                                                | 8,854.33                                                                                                |         |



(₹ In Crore)

| Sr. No. | Name of the entity               | Country of incorporation | Principal activity of the entity       | Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) <sup>\$</sup> | Total balance sheet assets (as stated in the accounting balance sheet of the legal entity) <sup>#</sup> | Remarks |
|---------|----------------------------------|--------------------------|----------------------------------------|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------|
| 17      | Commercial Indo Bank Llc, Moscow | Russia                   | Banking Services                       | 370.58                                                                                                   | 4,755.84                                                                                                |         |
| 18      | SBI (Mauritius) Ltd              | Mauritius                | Banking Services                       | 1,372.65                                                                                                 | 8,818.06                                                                                                |         |
| 19      | PT Bank SBI Indonesia            | Indonesia                | Banking Services                       | 1,737.60                                                                                                 | 3,496.53                                                                                                |         |
| 20      | Nepal SBI Bank Ltd               | Nepal                    | Banking Services                       | 1,138.14                                                                                                 | 11,433.52                                                                                               |         |
| 21      | State Bank of India (UK) Limited | UK                       | Banking Services                       | 2,644.04                                                                                                 | 20,164.54                                                                                               |         |
| 22      | Nepal SBI Merchant Banking Ltd.  | Nepal                    | Merchant Banking and Advisory Services | 17.42                                                                                                    | 19.37                                                                                                   |         |

\$ Comprises Equity Capital and Reserve &amp; Surplus

# In case of domestic entities as per IGAAP and in case of overseas entities as per respective local regulations

**(d) The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:**

| Name of the Subsidiaries/Country of incorporation | Principal activity of the entity | Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) | % of Bank's holding in the total equity | Capital Deficiency |
|---------------------------------------------------|----------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------|--------------------|
| NIL                                               |                                  |                                                                                            |                                         |                    |

**(e) The aggregate amount (e.g. current book value) of the Bank's total interests in Insurance entities, which are risk weighted**

(₹ In Crore)

| LONG NAME                                       | Face Value | Book Value | Market Value | Excess Provision (LICRA +IRAC +IOS+RCH) | Capital Charge | RWA    | Principal activity of the entity | Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) | % of Bank's holding in the total equity | Quantitative impact on regulatory capital of using risk weighting method Vs using the full deduction method |
|-------------------------------------------------|------------|------------|--------------|-----------------------------------------|----------------|--------|----------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------------------------------|
| HDFC STANDARD LIFE INSURANCE COMPANY LIMITED    | 1.15       | 73.49      | 57.22        | -                                       | 11.59          | 144.85 | Insurance                        | 2,149.18                                                                                   | 0.05%                                   | Insignificant impact with either method                                                                     |
| ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED | 2.41       | 131.98     | 104.79       | -                                       | 21.22          | 265.26 | Insurance                        | 1,438.56                                                                                   | 0.17%                                   | Insignificant impact with either method                                                                     |

## Pillar 3 Disclosures

### (f) Any restrictions or impediments on transfer of funds or regulatory capital within banking group:

#### Overseas Banking Subsidiaries

| Subsidiaries                            | Restrictions                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SBI California                          | As per regulations, the only way to transfer capital to parent bank is to pay dividends or buyback shares or capital repatriation to parent bank.                                                                                                                                                                                                                                                                                                  |
| SBI Canada                              | Prior permission from the regulator (OSFI) before transferring any type of capital (equity or debt) to parent bank.                                                                                                                                                                                                                                                                                                                                |
| SBI Mauritius Ltd.                      | There are regulatory restrictions for the reduction of the Bank's capital to be paid back to the shareholders including the parent bank. Any reduction in capital can be made either through payment of dividend or reduction in stated capital as provided in the banking act and the companies act of Mauritius. The amount to be paid is subject to SBIML maintaining adequate capital and liquidity ratios as per the regulatory requirements. |
|                                         | (a) The central bank shall not grant, and no bank shall hold, a banking license unless it maintains and continues to maintain in Mauritius, an amount paid as stated capital or an amount of assigned capital of not less than 400 Million rupees or the equivalent.                                                                                                                                                                               |
|                                         | (b) Every bank shall maintain, in Mauritius, capital of not less than 10 per cent, or such higher ratio as may be determined by the central bank, of such of that bank's risk assets and of other types of risks.                                                                                                                                                                                                                                  |
| Bank SBI Indonesia                      | The Bank maintains a minimum regulatory capital to be able to operate as a Book II bank as well as a forex bank. However, transfer of funds as dividend to parent bank is allowed after generation of sufficient profit.                                                                                                                                                                                                                           |
| Nepal SBI Bank Ltd.                     | Under the laws of Nepal, Assets and Liabilities of the Company are exclusive and non-transferable. Hence, the transfer of funds or regulatory capital within the banking group is not possible.                                                                                                                                                                                                                                                    |
| Commercial Indo Bank Llc, Moscow (CIBL) | There are no restrictions or impediments on transfer of funds or regulatory capital within banking group.                                                                                                                                                                                                                                                                                                                                          |
| State Bank of India (UK) Limited        | Excess capital beyond the regulatory minimum can be paid back to the parent (via dividends or reduced capital) along with the approval of SBI UK Board and PRA. This will be based on the projected growth plans of SBI UK Limited and its capital requirements.                                                                                                                                                                                   |

#### Non-Banking Subsidiaries

| Subsidiaries                      | Restrictions                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SBI Life Insurance Ltd.           | <ul style="list-style-type: none"> <li>As per regulations, the only way to transfer capital to parent Bank is to pay dividends in accordance with Section 49 of Insurance Act, 1938.</li> <li>This is subject to maintaining the minimum solvency ratio 150% in accordance with Regulatory norms. The Board of Directors of the Company has specified a minimum limit of solvency ratio at 180%.</li> </ul> |
| SBI General Insurance Co. Ltd.    | <ul style="list-style-type: none"> <li>As per regulations, the only way to transfer capital to parent Bank is to pay dividends in accordance with Section 49 of Insurance Act, 1938.</li> </ul>                                                                                                                                                                                                             |
| SBI Cards & Payment Services Ltd. | SBI Card can return share capital to SBI only by way of buy back of shares in accordance with the provisions of Companies Act, SEBI and RBI regulations.                                                                                                                                                                                                                                                    |
| SBI Funds Mgmt. Ltd.              | <ul style="list-style-type: none"> <li>SBIFML can transfer capital by way of buy back subject to adherence of Companies Act, SEBI Regulations and other applicable regulations. The company will also need to take approval from JV partner.</li> <li>Further, in terms of Companies Act, wherever approval of Board / Shareholders are required, the company will comply the same.</li> </ul>              |

| Subsidiaries                                | Restrictions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SBI Capital Markets Ltd.                    | <ul style="list-style-type: none"> <li>• Transfer of capital from SBICAP to the parent SBI, would be subject to the below: <ul style="list-style-type: none"> <li>i. As per SEBI Merchant Bankers Regulations 1992, a category I Merchant Banker requires a minimum Net worth of ₹5 Crore. Further, if any Transfer of funds leads to change in control approval from SEBI shall be required.</li> <li>ii. As per SEBI (Research Analyst) Regulations, 2014, a research analyst who is a body corporate requires a Networth of ₹25 Lakh. Further, if any Transfer of funds leads to change in control approval from SEBI shall be required.</li> </ul> </li> <li>• Article 60 of AOA of SBICAP provides that notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.</li> <li>• SBICAP has an internal Risk policy of maintaining a minimum CAR of 15.00.</li> <li>• All of the above would be subject to the approval of the Board of SBICAP.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| SBI Global Factors Ltd.                     | <ul style="list-style-type: none"> <li>• As per regulations, the only way to transfer Capital to parent bank is to pay dividends or buy back shares. There are Regulatory restrictions for the reduction of the Company's capital to be paid back to the Shareholders including the parent. Any reduction in capital can be made either through payment of dividend or reduction in stated capital as provided in the RBI Guidelines and the Companies Act. The amount to be paid is subject to maintaining adequate capital and the liquidity ratio as per the regulatory requirements. <ul style="list-style-type: none"> <li>a) A Company cannot hold NBFC-Factors license unless it maintains and continues to maintain, an amount paid as Net Owned Funds.</li> <li>b) Every NBFC shall maintain, capital of not less than 15% of its aggregated risk weighted assets (Tier I plus Tier II Capital, Tier I capital should not be less than 10%) on Balance Sheet and of risk adjusted value of off-Balance Sheet items, or such higher ratio as may be determined by the central bank.</li> <li>c) Every Company registered as NBFC- Factors shall maintain minimum Net Owned Fund (NOF) of ₹5 Crore as required by Factoring Regulations Act, 2011.</li> <li>d) Companies Act also stipulates some conditions for transfer of capital by way of buy-back of shares or distribution as dividends.</li> </ul> </li> <li>• There are no specific restrictions on transfer of funds or regulatory capital in Articles of Association of the Company.</li> <li>• In case of excess capital beyond the regulatory minimum requirement, can be paid back to the parent (via dividends or reduced capital) with the approval of Board and the Regulator. This will be based on the projected growth plans and its capital requirements.</li> </ul> |
| SBI-SG Global Securities Services Pvt. Ltd. | <ul style="list-style-type: none"> <li>• The transfer of Capital would be subject to maintenance of Minimum Regulatory Net worth of ₹500 Million prescribed by SEBI. Apart from this Company as per the Board is required to maintain Charge on Capital of ₹200 Million (as on 31.03.2023) for Operational Risk which is calculated as per Standardised Approach of Basel II.</li> <li>• Transfer can be achieved through issue of new shares (other than shares issued on a rights basis or in a subsequent placement), creation of option or warrants, creating new classes of shares, buy backs/ redemption/repurchase, splits, issuance of convertible debt, bonuses, lien or encumbrances or debt restructure involving conversion into equity which would be anti-dilutive for the parties and/or their rights as equity shareholders and declaration of dividend by the company.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

## Pillar 3 Disclosures

| Subsidiaries                                     | Restrictions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SBI DFHI Ltd.                                    | <p>The capital can be transferred to the parent bank by way of dividends or buy back shares. The RBI instructions for Standalone Primary Dealers (SPD) in this regard are as under:</p> <ul style="list-style-type: none"> <li>Any change in the shareholding pattern / capital structure of SPD shall need prior approval of RBI.</li> <li>SPDs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio (CRAR) of 15 per cent on an ongoing basis.</li> </ul> <ol style="list-style-type: none"> <li>SPDs shall follow the following guidelines while declaring dividend distribution: <ol style="list-style-type: none"> <li>SPDs that meet the following minimum prudential requirements shall be eligible to declare dividend: <ol style="list-style-type: none"> <li>SPDs should have maintained a minimum CRAR of 20 per cent for the financial year (each of the four quarters) for which dividend is proposed.</li> <li>The net NPA ratio shall be less than six per cent in each of the last three years, including as at the close of the financial year for which dividend is proposed to be declared.</li> <li>SPDs shall comply with the provisions of Section 45 IC of the Reserve Bank of India Act, 1934.</li> <li>SPDs shall be compliant with the prevailing regulations/ guidelines issued by the Reserve Bank. The Reserve Bank shall not have placed any explicit restrictions on declaration of dividend.</li> </ol> </li> <li>SPDs that meet the eligibility criteria specified in paragraph (1) above can declare dividend up to a dividend pay-out ratio of 60 per cent.</li> <li>SPDs having CRAR below the regulatory minimum of 15 per cent in any of the four quarters of the financial year for which dividend is proposed shall not declare any dividend. For SPDs having CRAR at or above the regulatory minimum of 15 per cent during all the four quarters of the financial year for which dividend is being considered, but lower than 20 per cent in any of the four quarters, the dividend pay-out ratio shall not exceed 33.3 per cent.</li> </ol> </li> </ol> |
| SBI Pension Funds Pvt. Ltd.                      | <ul style="list-style-type: none"> <li>There are no regulatory restrictions from PFRDA/ Companies Act, 2013 for transfer of capital to parent bank through dividends or buy back shares or capital repatriation to parent bank.</li> <li>The only criteria is that the Company should maintain minimum Net Worth of ₹50 Crore and shall fulfil the minimum eligibility criteria of the Pension Fund i.e. Reg 8 (d) the sponsor shall have Profits After Tax in at least three of the preceding five financial years. Further, there shall be no cash loss in the last preceding five years.</li> <li>Further, as per Regulation J, any change in management, ownership, shareholding pattern or controlling interest of sponsor of the pension fund exceeding one percent, but less than five percent of the paid-up capital of the sponsor or pension fund in a financial year, shall be informed to the Authority within fifteen days of the occurrence of such change.</li> <li>Provided that no change in excess of five per cent. or more of the paid-up capital of the sponsor or the pension fund, in any financial year, shall be made without prior approval of the Authority.</li> <li>The Capital can be paid to the parent with the Board and Shareholders approval and fulfilling the PFRDA regulations &amp; the provisions of the Companies Act, 2013</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| SBI Payment Services Pvt. Ltd.                   | <ul style="list-style-type: none"> <li>There are no restrictions or impediments on transfer of funds or Regulatory capital as per JV agreement.</li> <li>Transfer of funds is subject to approval from SBI Payments Board and JV partners.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| State Bank Operations Support Services Pvt. Ltd. | <p>SBOSS is a non-financial company, incorporated last year. As per AOA of the Company and Service Agreement with the Bank, there are no restrictions or impediments on transfer of funds or capital within the Group. However, any such transfer of funds will be subject to the approval of the Board of SBOSS. Further, in terms of Companies Act, wherever approval of Board / Shareholders is required, the company will comply the same.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

## DF-2 - CAPITAL ADEQUACY

As on 31.03.2023

### Qualitative Disclosures

- (a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities
- The Bank and its Subsidiaries undertake the Internal Capital Adequacy Assessment Process (ICAAP) on an annual basis. The ICAAP details the capital planning process and carries out an assessment covering measurement, monitoring, internal controls, reporting, capital requirement and stress testing of the following Risks:
 

|                                            |                                          |
|--------------------------------------------|------------------------------------------|
| ➤ Credit Risk                              | ➤ Market Risk                            |
| ➤ Operational Risk                         | ➤ Credit Concentration Risk              |
| ➤ Liquidity Risk                           | ➤ Interest Rate Risk in the Banking Book |
| ➤ Compliance Risk                          | ➤ Country Risk                           |
| ➤ Pension Fund Obligation Risk             | ➤ Strategic Risk                         |
| ➤ Reputation Risk                          | ➤ Model Risk                             |
| ➤ Residual Risk from Credit Risk Mitigants | ➤ Contagion Risk                         |
| ➤ Talent Risk                              | ➤ Cyber Risk                             |
| ➤ Any other applicable Risk                | ➤ Underwriting Risk                      |
  - Sensitivity Analysis is conducted annually or more frequently as required, on the movement of Capital Adequacy Ratio (CAR) in the medium horizon of 3 to 5 years, considering the projected investment in Subsidiaries / Joint Ventures by SBI and growth in Advances by SBI and its Subsidiaries (Domestic / Foreign). This analysis is done for the SBI and SBI Group separately.
  - CRAR of the Bank and for the Group as a whole is estimated to be well above the Regulatory CAR in the medium horizon of 3 to 5 years. However, to maintain adequate capital, the Bank has options to augment its capital resources by raising Subordinated Debt, Perpetual Cumulative Preference Shares (PCPS), Redeemable Non-Cumulative Preference Shares (RNCPS), Redeemable Cumulative Preference Shares (RCPS), Perpetual Debt Instruments (PDIs) and Perpetual Non-Cumulative Preference Shares (PNCPS) besides Equity as and when required.
  - Strategic Capital Plan for the Foreign Subsidiaries covers an assessment of capital requirement for growth of assets and the capital required complying with various local regulatory requirements and prudential norms. The growth plan is approved by the parent bank after satisfying itself about the capacity of the individual subsidiaries to raise CET 1 / AT 1 / Tier 2 Capital to support the increased level of assets and at the same time maintaining the Capital Adequacy Ratio (CAR).

### Quantitative Disclosures

- (b) Capital requirements for credit risk:

- Portfolios subject to standardised approach → ₹2,84,252.21 Crore
  - Securitisation exposures → Nil
- .....
- Total ₹2,84,252.21 Crore**

- (c) Capital requirements for market risk:

- Standardised duration approach;
    - Interest Rate Risk → ₹12,373.98 Crore
    - Foreign Exchange Risk → ₹902.31 Crore (including gold)
    - Equity Risk → ₹10,894.61 Crore
- .....
- Total ₹24,170.90 Crore**

## Pillar 3 Disclosures

### (d) Capital requirements for operational risk:

- Basic Indicator Approach → ₹23,227.98 Crore
- The Standardised Approach (if applicable) NA

.....  
Total ₹23,227.98 Crore

### (e) Common Equity Tier 1, Tier 1 and Total Capital Ratios: **CAPITAL ADEQUACY RATIOS AS ON 31.03.2023**

|                                                                                                                 |                                  | CET 1 (%) | Tier 1 (%) | Total (%) |
|-----------------------------------------------------------------------------------------------------------------|----------------------------------|-----------|------------|-----------|
| • For the top consolidated group; and                                                                           | SBI Group                        | 10.59     | 12.29      | 14.84     |
| • For significant bank subsidiaries (stand alone or sub-consolidated depending on how the Framework is applied) | State Bank of India              | 10.27     | 12.06      | 14.68     |
|                                                                                                                 | SBI (Mauritius) Ltd.             | 20.05     | 20.05      | 21.06     |
|                                                                                                                 | State Bank of India (Canada)     | 12.42     | 12.42      | 13.89     |
|                                                                                                                 | State Bank of India (California) | 14.15     | 14.15      | 15.35     |
|                                                                                                                 | Commercial Indo Bank LLC, Moscow | 5.36      | 5.36       | 5.36      |
|                                                                                                                 | Bank SBI Indonesia               | 90.36     | 90.36      | 91.16     |
|                                                                                                                 | Nepal SBI Bank Ltd.              | 13.07     | 13.07      | 16.17     |
|                                                                                                                 | SBI (UK) Ltd.                    | 15.28     | 15.28      | 15.28     |

## DF-3: CREDIT RISK: GENERAL DISCLOSURES

As on 31.03.2023

### General Disclosures

#### a. Qualitative Disclosures

- Definitions of past due and impaired assets (for accounting purposes)

#### **Non-performing assets**

An asset becomes non-performing when it ceases to generate income for the Bank. As from 31<sup>st</sup> March 2006, a non-performing Asset (NPA) is an advance were

- Interest and/or instalment of principal remain 'overdue' for a period of more than 90 days in respect of a Term Loan.
- The account remains 'out of order' for a period of more than 90 days, in respect of an Overdraft/Cash Credit (OD/CC).
- The bill remains 'overdue' for a period of more than 90 days in the case of bills purchased and discounted.
- Any amount to be received remains 'overdue' for a period of more than 90 days in respect of other accounts.
- A loan granted for short duration crops is treated as NPA, if the instalment of principal or interest thereon remains overdue for two crop seasons and a loan granted for long duration crops is treated as NPA, if instalment of principal or interest thereon remains overdue for one crop season.
- An account would be classified as NPA only if the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter.
- The amount of a liquidity facility remains outstanding for more than 90 days, in respect of securitisation transactions undertaken in accordance with the RBI guidelines on securitisation dated February 1, 2006.
- In respect of derivative transactions, the overdue receivables representing the positive mark to market value of a derivative contract, remain unpaid for a period of 90 days from the specified due date for payment.

### **'Out of Order' status**

An account is treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power.

In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Bank's Balance Sheet, or where credits are not enough to cover the interest debited during the same period, such accounts are treated as 'out of order'.

### **'Overdue'**

Any amount due to the Bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the Bank.

#### **▪ Resolution of Stressed Assets**

Early identification and reporting of stress:

Identification of incipient stress in loan accounts, immediately on default\*, by classifying stressed assets as special mention accounts (SMA) as per the following categories:

| <b>SMA Sub-categories</b> | <b>Basis for classification – Principal or interest payment or any other amount wholly or partly overdue between</b> |
|---------------------------|----------------------------------------------------------------------------------------------------------------------|
| SMA-0                     | 1-30 days                                                                                                            |
| SMA-1                     | 31-60 days                                                                                                           |
| SMA-2                     | 61-90 days                                                                                                           |

\* Default' means non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not repaid by the debtor or the corporate debtor. For revolving facilities like cash credit, default would also mean, without prejudice to the above, the outstanding balance remaining continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than 30 days.

#### **▪ Discussion of the Bank's Credit Risk Management Policy**

The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Over the years, the policy & procedures in this regard have been refined as a result of evolving concepts and actual experience. The policy and procedures have been aligned to the approach laid down in Basel-II and RBI guidelines.

Credit Risk Management encompasses identification, assessment, measurement, monitoring and control of the credit risk in exposures.

In the processes of identification and assessment of Credit Risk, the following functions are undertaken:

- (i) Developing and refining the Credit Risk Assessment (CRA) Models/Scoring Models to assess the Counterparty Risk, by taking into account the various risks categorised broadly into Financial, Business, Industrial and Management Risks, each of which is scored separately.
- (ii) Conducting industry research to give specific policy prescriptions and setting quantitative exposure parameters for handling portfolio in large / important industries, by issuing advisories on the general outlook for the Industries / Sectors, from time to time.

The measurement of Credit Risk involves computation of Credit Risk Components viz Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD).

The monitoring and control of Credit Risk includes setting up exposure limits to achieve a well-diversified portfolio across dimensions such as single borrower, group borrower and industries. For better risk management and avoidance of concentration of Credit Risks, internal guidelines on prudential exposure norms in respect

## Pillar 3 Disclosures

of individual companies, group companies, Banks, individual borrowers, non-corporate entities, sensitive sectors such as capital market, real estate, sensitive commodities, etc., are in place. Credit Risk Stress Tests are conducted at half yearly interval to identify vulnerable areas for initiating corrective action, where necessary.

The Bank has also a Loan Policy which aims at continued improvement of the overall quality of assets at the portfolio level, by establishing a commonality of approach regarding credit basics, appraisal skills, documentation standards and awareness of institutional concerns and strategies, while leaving enough room for flexibility and innovation.

The Bank has processes and controls in place in regard to various aspects of Credit Risk Management such as appraisal, pricing, credit approval authority, documentation, reporting and monitoring, review and renewal of credit facilities, management of problem loans, credit monitoring, etc. The Bank also has a system of Credit Audit with the aims of achieving continuous improvement in the quality of the credit portfolio with total credit exposure (FB+NFB limits) above ₹20 Crore/ USD 2 Million or its equivalent and above. Credit Audit covers audit of credit sanction decisions at various levels. Both the pre-sanction process and post-sanction position are examined as a part of the Credit Audit System. Credit Audit also examines identified Risks and suggests Risk Mitigation Measures.

### DF-3: Quantitative Disclosures as on 31.03.2023

(Insurance entities, JVs & Non-financial entities excluded)

#### General Disclosures:

| ₹ in Crore                                                                          |                           |                |            |
|-------------------------------------------------------------------------------------|---------------------------|----------------|------------|
| Quantitative Disclosures                                                            | Fund Based                | Non-Fund Based | Total      |
| b Total Gross Credit Risk Exposures                                                 | 3338401.14                | 510596.72      | 3848997.86 |
| c Geographic Distribution of Exposures: FB / NFB                                    |                           |                |            |
| Overseas                                                                            | 533570.52                 | 76813.17       | 610383.69  |
| Domestic                                                                            | 2804830.62                | 433783.55      | 3238614.17 |
| d Industry Type Distribution of Exposures<br>Fund based / Non-Fund Based separately | Please refer to Table "A" |                |            |
| e Residual Contractual Maturity Breakdown of Assets                                 | Please refer to Table "B" |                |            |
| f Amount of NPAs (Gross) i.e. Sum of (i to v)                                       |                           |                | 91874.12   |
| i. Substandard                                                                      |                           |                | 12733.68   |
| ii. Doubtful 1                                                                      |                           |                | 11761.63   |
| iii. Doubtful 2                                                                     |                           |                | 21849.32   |
| iv. Doubtful 3                                                                      |                           |                | 18338.89   |
| v. Loss                                                                             |                           |                | 27190.60   |
| g Net NPAs                                                                          |                           |                | 21497.00   |
| h NPA Ratios                                                                        |                           |                |            |
| i) Gross NPAs to gross advances                                                     |                           |                | 2.75%      |
| ii) Net NPAs to net advances                                                        |                           |                | 0.66%      |
| i Movement of NPAs (Gross)                                                          |                           |                |            |
| i) Opening balance                                                                  |                           |                | 112785.09  |
| ii) Additions                                                                       |                           |                | 20161.30   |
| iii) Reductions                                                                     |                           |                | 41072.27   |
| iv) Closing balance                                                                 |                           |                | 91874.12   |



₹ in Crore

| Quantitative Disclosures                                                                                                          | Fund Based | Non-Fund Based | Total    |
|-----------------------------------------------------------------------------------------------------------------------------------|------------|----------------|----------|
| j Movement of provisions for NPAs                                                                                                 |            |                |          |
| i) Opening balance                                                                                                                |            |                | 84782.24 |
| ii) Provisions made during the period                                                                                             |            |                | 10922.65 |
| iii) Write-off/Write-back of excess provisions                                                                                    |            |                | 25327.77 |
| iv) Closing balance                                                                                                               |            |                | 70377.12 |
| k Amount of Non-Performing Investments                                                                                            |            |                | 3822.42  |
| l Amount of Provisions held for Non-Performing Investments                                                                        |            |                | 3104.75  |
| m Movement of Provisions for Depreciation on Investments                                                                          |            |                |          |
| Opening balance                                                                                                                   |            |                | 10825.23 |
| Provisions made during the period                                                                                                 |            |                | 6997.40  |
| Write-off                                                                                                                         |            |                | 363.23   |
| Write-back of excess provisions                                                                                                   |            |                | 1214.72  |
| Closing balance                                                                                                                   |            |                | 16244.68 |
| n By major industry or counter party type                                                                                         |            |                |          |
| Amt. of NPA and if available, past due loans, provided separately                                                                 |            |                | 38696.98 |
| Specific & general provisions; and                                                                                                |            |                | -        |
| Specific provisions and write-offs during the current period                                                                      |            |                | -        |
| o Amt. of NPAs and past due loans provided separately by significant geographical areas including specific and general provisions |            |                | -        |
| Provisions                                                                                                                        |            |                | -        |

**Table- A: DF-3 (d) Industry Type Distribution of Exposures as on 31.03.2023**

(₹ in Crore)

| Code | Industry                   | Fund Based [Outstanding-O/s] |          |           | Non-Fund Based(O/s) |
|------|----------------------------|------------------------------|----------|-----------|---------------------|
|      |                            | Standard                     | NPA      | Total     |                     |
| 1    | Coal                       | 5,163.74                     | 368.09   | 5,531.83  | 5,080.50            |
| 2    | Mining                     | 17,117.69                    | 75.90    | 17,193.59 | 4,015.27            |
| 3    | Iron & Steel               | 58,057.61                    | 735.40   | 58,793.01 | 43,183.46           |
| 4    | Metal Products             | 33,708.22                    | 488.88   | 34,197.10 | 12,521.75           |
| 5    | All Engineering            | 30,962.22                    | 2,538.31 | 33,500.53 | 65,427.12           |
| 5.1  | Of which Electronics       | 5,634.97                     | 95.56    | 5,730.53  | 4,593.58            |
| 6    | Electricity                | 542.20                       | 0.35     | 542.55    | 24.23               |
| 7    | Cotton Textiles            | 21,201.71                    | 1,235.72 | 22,437.43 | 2,137.12            |
| 8    | Jute Textiles              | 615.07                       | 28.17    | 643.24    | 40.70               |
| 9    | Other Textiles             | 10,792.15                    | 1,123.02 | 11,915.17 | 2,553.82            |
| 10   | Sugar                      | 6,407.82                     | 585.31   | 6,993.13  | 540.12              |
| 11   | Tea                        | 1,157.97                     | 43.55    | 1,201.52  | 33.17               |
| 12   | Food Processing            | 54,178.41                    | 3,911.91 | 58,090.32 | 4,444.82            |
| 13   | Vegetable Oils & Vanaspati | 4,592.50                     | 494.31   | 5,086.81  | 5,132.79            |
| 14   | Tobacco / Tobacco Products | 212.79                       | 10.36    | 223.15    | 112.78              |

## Pillar 3 Disclosures

|              |                                | (₹ in Crore)                 |                  |                     |                     |
|--------------|--------------------------------|------------------------------|------------------|---------------------|---------------------|
| Code         | Industry                       | Fund Based [Outstanding-O/s] |                  |                     | Non-Fund Based(O/s) |
|              |                                | Standard                     | NPA              | Total               |                     |
| 15           | Paper / Paper Products         | 6,241.50                     | 272.19           | 6,513.69            | 1,135.98            |
| 16           | Rubber / Rubber Products       | 9,698.96                     | 489.08           | 10,188.04           | 1,757.47            |
| 17           | Chemicals / Dyes / Paints etc. | 96,403.76                    | 1,472.28         | 97,876.04           | 57,445.85           |
| 17.1         | Of which Fertilizers           | 14,059.76                    | 27.65            | 14,087.41           | 12,884.90           |
| 17.2         | Of which Petrochemicals        | 45,419.38                    | 50.57            | 45,469.95           | 39,789.89           |
| 17.3         | Of which Drugs &Pharma         | 23,588.05                    | 400.18           | 23,988.23           | 1,321.12            |
| 18           | Cement                         | 7,469.36                     | 717.04           | 8,186.40            | 4,346.57            |
| 19           | Leather & Leather Products     | 2,037.97                     | 158.18           | 2,196.15            | 315.86              |
| 20           | Gems & Jewellery               | 9,685.60                     | 1,382.71         | 11,068.30           | 157.63              |
| 21           | Construction                   | 42,654.63                    | 1,222.30         | 43,876.93           | 16,809.67           |
| 22           | Petroleum                      | 82,331.57                    | 284.20           | 82,615.77           | 25,794.07           |
| 23           | Automobiles & Trucks           | 16,229.42                    | 874.61           | 17,104.03           | 4,853.12            |
| 24           | Computer Software              | 1,966.02                     | 10.06            | 1,976.08            | 1,775.02            |
| 25           | Infrastructure                 | 3,79,517.09                  | 19,164.32        | 3,98,681.41         | 72,753.88           |
| 25.1         | Of which Power                 | 1,99,455.67                  | 4,420.36         | 2,03,876.03         | 30,181.50           |
| 25.2         | Of which Telecommunication     | 41,395.74                    | 2,215.99         | 43,611.73           | 1,245.21            |
| 25.3         | Of which Roads & Ports         | 94,161.62                    | 6,690.84         | 1,00,852.46         | 20,335.72           |
| 26           | Other Industries               | 5,03,147.43                  | 29,976.54        | 5,33,123.97         | 1,18,579.79         |
| 27           | NBFCs & Trading                | 5,28,901.84                  | 11,664.53        | 5,40,566.37         | 34,732.47           |
| 28           | Residual Advances              | 13,15,531.79                 | 12,546.80        | 13,28,078.59        | 24,891.67           |
| <b>Total</b> |                                | <b>32,46,527.02</b>          | <b>91,874.12</b> | <b>33,38,401.14</b> | <b>5,10,596.72</b>  |

**Table- B DF-3 (e) SBI (CONSOLIDATED) Residual contractual maturity breakdown of assets as on 31.03.2023\***

| INFLOWS      |                           | 1 day     | 2-7 days  | 8-14 days | 15-30 days | 31 days &upto 2 months | More than 2 months &upto 3 months | Over 3 months &upto 6 months | Over 6 months &upto 1 year | Over 1 year &upto 3 years | Over 3 years &upto 5 years | Over 5 years | TOTAL      |
|--------------|---------------------------|-----------|-----------|-----------|------------|------------------------|-----------------------------------|------------------------------|----------------------------|---------------------------|----------------------------|--------------|------------|
| (₹ In Crore) |                           |           |           |           |            |                        |                                   |                              |                            |                           |                            |              |            |
| 1            | Cash                      | 21553.25  | 10.40     | 0.00      | 0.01       | 0.00                   | 0.00                              | 0.00                         | 0.00                       | 0.00                      | 0.00                       | 0.00         | 21563.65   |
| 2            | Balances with RBI         | 20056.44  | 3797.49   | 2089.21   | 2876.24    | 3523.87                | 2308.40                           | 7721.07                      | 49970.56                   | 46041.86                  | 24971.64                   | 62435.84     | 225692.62  |
| 3            | Balances with other Banks | 46391.67  | 17405.44  | 1819.07   | 2009.39    | 833.12                 | 1396.26                           | 717.37                       | 3874.66                    | 1057.57                   | 434.07                     | 423.24       | 76361.85   |
| 4            | Investments               | 13912.15  | 19047.81  | 64673.83  | 104663.86  | 306716.57              | 242920.25                         | 585216.84                    | 126207.98                  | 26085.01                  | 7466.82                    | 108893.07    | 1605804.19 |
| 5            | Advances                  | 31452.55  | 26065.30  | 23933.02  | 55036.81   | 91346.93               | 68494.18                          | 197461.92                    | 242929.71                  | 1179095.60                | 498168.06                  | 869939.39    | 3283923.47 |
| 6            | Fixed Assets              | 0.00      | 0.00      | 0.00      | 0.00       | 0.00                   | 0.00                              | 0.01                         | 90.93                      | 161.59                    | 147.00                     | 43344.34     | 43743.87   |
| 7            | Other Assets              | 13476.00  | 40062.23  | 42293.95  | 29947.51   | 22857.14               | 19911.49                          | 32064.74                     | 47932.18                   | 25011.89                  | 38016.03                   | 90712.86     | 402286.02  |
| TOTAL        |                           | 146842.05 | 106388.66 | 134809.08 | 194533.81  | 425277.63              | 335030.58                         | 823181.95                    | 470906.02                  | 1277453.52                | 569203.62                  | 1175748.75   | 5659375.67 |

\*Notes:

- Insurance entities, Non-financial entities, JVs, Special Purpose Vehicles & Intra-group Adjustments are excluded.
- Investments include Non-Performing Investments and Advances includes Non-Performing Advances.
- The Bucketing structure has been revised based on the RBI guidelines dated March 23, 2016.

## Pillar 3 Disclosures

### DF-4: CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

As on 31.03.2023

#### Disclosures for Portfolios subject to Standardised Approach

##### Qualitative Disclosures

##### Names of Credit Rating Agencies used, plus reasons for any changes

- (a) As per RBI Guidelines, the Bank has identified CARE, CRISIL, ICRA, India Rating, ACUITE Ratings and Research and INFOMERICs (Domestic Credit Rating Agencies) and FITCH, Moody's and S&P (International Rating Agencies) as approved Rating Agencies, for the purpose of rating Domestic and Overseas Exposures, respectively, whose ratings are used for the purpose of computing Risk-weighted Assets and Capital Charge.

##### Types of exposures for which each Agency is used

- (i) For Exposures with a contractual maturity of less than or equal to one year (except Cash Credit, Overdraft and other Revolving Credits), Short-term Ratings given by approved Rating Agencies are used.
- (ii) For Cash Credit, Overdraft and other Revolving Credits (irrespective of the period) and for Term Loan exposures of over 1 year, Long Term Ratings are used.

##### Description of the process used to transfer Public Issue Ratings onto comparable assets in the Banking Book

The key aspects of the Bank's external ratings application framework are as follows:

- All long term and short term ratings assigned by the credit rating agencies specifically to the Bank's long term and short term exposures respectively are considered by the Bank as issue specific ratings.
- Foreign sovereign and foreign bank exposures are risk-weighted based on issuer ratings assigned to them.
- The Bank ensures that the external rating of the facility/borrower has been reviewed at least once by the ECAI during the previous 15 months and is in force on the date of its application.
- Where multiple issuer ratings are assigned to an entity by various credit rating agencies, the risk weight is determined as follows:
  - If there is only one rating by a chosen credit rating agency for a particular claim, then that rating is used to determine the risk weight of the claim.
  - If there are two ratings accorded by chosen credit rating agencies, which map into different risk weights, the higher risk weight is applied.
  - If there are three or more ratings accorded by chosen credit rating agencies with different risk weights, the ratings corresponding to the two lowest risk weights are referred to and the higher of those two risk weights is applied, i.e., the second lowest risk weight.

Long-term Issue Specific Ratings (For the Bank's own exposures or other issuance of debt by the same borrower-constituent/counterparty) or Issuer (borrower-constituents/counterparty) Ratings are applied to other unrated exposures of the same borrower-constituent/counter-party in the following cases:

- If the Issue Specific Rating or Issuer Rating maps to Risk Weight equal to or higher than the unrated exposures, any other unrated exposure on the same counter-party is assigned the same Risk Weight, if the exposure ranks pari passu or junior to the rated exposure in all respects.
- In cases where the borrower-constituent/counterparty has issued a debt (which is not a borrowing from the Bank), the rating given to that debt is applied to the Bank's unrated exposures, if the Bank's exposure ranks pari-passu or senior to the specific rated debt in all respects and the maturity of unrated Bank's exposure is not later than the maturity of the rated debt.

## Quantitative Disclosures as on 31.03.2023

(₹ in Crore)

| (b) For exposure amounts after risk mitigation subject to the Standardised Approach, amount of group's outstanding (rated and unrated) in each risk bucket as well as those that are deducted. | Amount                     |                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------|
|                                                                                                                                                                                                | Below 100% Risk Weight     | 24,89,255.87        |
|                                                                                                                                                                                                | 100% Risk Weight           | 10,75,897.41        |
|                                                                                                                                                                                                | More than 100% Risk Weight | 2,83,844.58         |
|                                                                                                                                                                                                | Deducted                   | 0.00                |
|                                                                                                                                                                                                | <b>Total</b>               | <b>38,48,997.86</b> |

## DF-5: CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

As on 31.03.2023

### Credit Risk Mitigation: Disclosures for Standardised Approach

#### (a) Qualitative Disclosures

- **Policies and processes for, and an indication of the extent to which the bank makes use of, on- and off-balance sheet netting**

On-balance sheet netting is confined to loans/advances and deposits, where the Bank have legally enforceable netting arrangements, involving specific lien with proof of documentation. The Bank calculates capital requirements on the basis of net credit exposures subject to the following conditions:

Where bank,

- a) has a well-founded legal basis for concluding that the netting or offsetting agreement is enforceable in each relevant jurisdiction regardless of whether the counterparty is insolvent or bankrupt.
- b) is able at any time to determine the loans/advances and deposits with the same counterparty that are subject to the netting agreement; and
- c) monitors and controls the relevant exposures on a net basis, it may use the net exposure of loans/advances and deposits as the basis for its capital adequacy calculation. Loans/advances are treated as exposure and deposits as collateral.

- **Policies and Processes for Collateral Valuation and Management**

The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Part B of this policy deals with Credit Risk Mitigation and Collateral Management, addressing the Bank's approach towards the credit risk mitigants used for capital calculation.

The objective of this Policy is to enable classification and valuation of credit risk mitigants in a manner that allows regulatory capital adjustment to reflect them.

The Policy adopts the Comprehensive Approach, which allows full offset of collateral (after appropriate haircuts), wherever applicable against exposures, by effectively reducing the exposure amount by the value ascribed to the collateral. The following issues are addressed in the Policy:

- (i) Classification of credit risk-mitigants
- (ii) Acceptable credit risk-mitigants
- (iii) Documentation and legal process requirements for credit risk-mitigants
- (iv) Valuation of collateral

## Pillar 3 Disclosures

- (v) Margin and Haircut requirements
- (vi) External ratings
- (vii) Custody of collateral
- (viii) Insurance
- (ix) Monitoring of credit risk mitigants
- (x) General guidelines.

### Description of the main types of collateral taken by the Bank

The following collaterals are usually recognised as Credit Risk Mitigants under the Standardised Approach:

Cash or Cash equivalent (Bank Deposits/NSCs/KVP/LIC Policy, etc.)

Gold

Securities issued by Central / State Governments

Debt Securities rated BBB- or better A3 for Short-Term Debt Instrument

### ▪ Main types of Guarantor Counterparty and their creditworthiness

The Bank accepts the following entities as eligible guarantors, in line with RBI guidelines:

- Sovereign, Sovereign entities [including Bank for International Settlements (BIS), International Monetary Fund (IMF), European Central Bank and European Community as well as Multilateral Development Banks, Export Credit & Guarantee Corporation (ECGC) and Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)], Public Sector Enterprises (PSEs), Banks and Primary Dealers with a lower risk weight than the counterparty.
- Other guarantors having an external rating of AA or better. In case the guarantor is a parent company, affiliate, or subsidiary, they should enjoy a risk weight lower than the obligor for the guarantee to be recognised by the Bank. The rating of the guarantor should be an entity rating which has factored in all the liabilities and commitments (including guarantees) of the entity.

### Information about (Market or Credit) risk concentrations within the mitigation taken:

The Bank has a well-dispersed portfolio of assets which are secured by various types of collaterals, such as: -

- Eligible financial collaterals listed above
- Guarantees by sovereigns and well-rated corporates,
- Fixed assets and current assets of the counterparty.

### Quantitative Disclosures as on 31.03.2023

|                                                                                                                                                                                                                            | (Amt. ₹ in Crore) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| (b) For each separately disclosed credit risk portfolio the total exposure (after, where applicable, on- or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts. | 3,66,260.51       |
| (c) For each separately disclosed portfolio the total exposure (after, where applicable, on- or off-balance sheet netting) that is covered by guarantees/credit derivatives (whenever specifically permitted by RBI)       | 1,26,219.17       |

## DF-6: SECURITISATION EXPOSURES: DISCLOSURE FOR STANDARDISED APPROACH

As on 31.03.2023

### Qualitative Disclosures

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>(a) The general qualitative disclosure requirement with respect to securitisation including a discussion of:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                 |
| The bank's objectives in relation to securitisation activity, including the extent to which these activities transfer credit risk of the underlying securitised exposures away from the bank to other entities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | The Bank's investment in securitisation assets (PTCs & PSLCs) with an object to optimise returns while adhering to Banks' risk appetite, ensure liquidity and to meet priority sector requirements of the Bank. |
| The nature of other risks (e.g. liquidity risk, pipeline and warehousing risk) inherent in securitised assets;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Credit Risk, Liquidity Risk, Interest Rate Risk, Prepayment Risk, Performance/ Servicer Risk.                                                                                                                   |
| The various roles played by the bank in the securitisation process (For example: originator, investor, servicer, provider of credit enhancement, liquidity provider, swap provider@, protection provider#) and an indication of the extent of the bank's involvement in each of them;<br>@ A bank may have provided support to a securitisation structure in the form of an interest rate swap or currency swap to mitigate the interest rate/currency risk of the underlying assets, if permitted as per regulatory rules.<br># A bank may provide credit protection to a securitisation transaction through guarantees, credit derivatives or any other similar product, if permitted as per regulatory rules. | Investor: The Bank invests in PTCs & PSLCs backed by financial assets.                                                                                                                                          |
| A description of the processes in place to monitor changes in the credit and market risk of securitisation exposures (for example, how the behaviour of the underlying assets impacts securitisation exposures as defined in para 5.16.1 of the Master Circular on NCAF dated July 1, 2012).                                                                                                                                                                                                                                                                                                                                                                                                                     | Bank has invested in securitisation product. Bank monitors rating migration and provides capital charge on the securitisation exposure.                                                                         |
| A description of the bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitisation exposures;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | As per Bank's internal guidelines                                                                                                                                                                               |
| <b>(b) Summary of the bank's accounting policies for securitisation activities, including:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                 |
| Whether the transactions are treated as sales or financings;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Financing                                                                                                                                                                                                       |
| Methods and key assumptions (including inputs) applied in valuing positions retained or purchased                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | As per FIMMDA guidelines                                                                                                                                                                                        |
| Changes in methods and key assumptions from the previous period and impact of the changes;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Not Applicable                                                                                                                                                                                                  |
| Policies for recognising liabilities on the balance sheet for arrangements that could require the bank to provide financial support for securitised assets.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Not Applicable                                                                                                                                                                                                  |
| Details of Sponsorship of Off-balance sheet vehicles.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Nil                                                                                                                                                                                                             |
| <b>Valuation with regards to securitisation exposure</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | As per FIMMDA guidelines                                                                                                                                                                                        |
| <b>(c) In the banking book, the names of ECALs used for securitisations and the types of securitisation exposure for which each agency is used.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Not Applicable                                                                                                                                                                                                  |
| <b>Quantitative Disclosures: Banking Book</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                 |
| <b>(d) The total amount of exposures securitised by the bank.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Nil                                                                                                                                                                                                             |
| <b>(e) For exposures securitised losses recognised by the bank during the current period broken by the exposure type (e.g. Credit cards, housing loans, auto loans etc. detailed by underlying security)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Nil                                                                                                                                                                                                             |
| <b>(f) Amount of assets intended to be securitised within a year</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Nil                                                                                                                                                                                                             |
| <b>(g) Of (f), amount of assets originated within a year before securitisation.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Not Applicable                                                                                                                                                                                                  |
| <b>(h) The total amount of exposures securitised (by exposure type) and unrecognised gain or losses on sale by exposure type.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Nil                                                                                                                                                                                                             |
| <b>(i) Aggregate amount of:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                 |
| On-balance sheet securitisation exposures retained or purchased broken down by exposure type and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Nil                                                                                                                                                                                                             |
| Off-balance sheet securitisation exposures broken down by exposure type                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Nil                                                                                                                                                                                                             |

## Pillar 3 Disclosures

|                                               |                                                                                                                                                                                                                                    |                 |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| (j)                                           | Aggregate amount of securitisation exposures retained or purchased and the associated capital charges, broken down between exposures and further broken down into different risk weight bands for each regulatory capital approach | Nil             |
|                                               | Exposures that have been deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type).                                             | Nil             |
| <b>Quantitative Disclosures: Trading Book</b> |                                                                                                                                                                                                                                    |                 |
| (k)                                           | Aggregate amount of exposures securitised by the bank for which the bank has retained some exposures and which is subject to the market risk approach, by exposure type.                                                           | Nil             |
| (l)                                           | Aggregate amount of:                                                                                                                                                                                                               |                 |
|                                               | On-balance sheet securitisation exposures retained or purchased broken down by exposure type; and                                                                                                                                  | ₹3,663.54 Crore |
|                                               | Off-balance sheet securitisation exposures broken down by exposure type.                                                                                                                                                           | Nil             |
| (m)                                           | Aggregate amount of securitisation exposures retained or purchased separately for:                                                                                                                                                 | Nil             |
|                                               | Securitisation exposures retained or purchased subject to Comprehensive Risk Measure for specific risk; and                                                                                                                        | Nil             |
|                                               | Securitisation exposures subject to the securitisation framework for specific risk broken down into different risk weight bands.                                                                                                   | Nil             |
| (n)                                           | Aggregate amount of:                                                                                                                                                                                                               |                 |
|                                               | The capital requirements for the securitisation exposures, subject to the securitisation framework broken down into different risk weight bands.                                                                                   | ₹168.42 Crore   |
|                                               | Securitisation exposures that are deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type).                                    | Nil             |
| (o)                                           | Details of Securitisation exposure in the Banking Book:                                                                                                                                                                            | Nil             |

### (p) Details of Securitisation exposure in the Trading Book:

#### i. Securitisation exposures retained or purchased as on 31.03.2023

(₹ in Crore)

| Exposure type <sup>1</sup> | On-balance sheet | Off-balance sheet | Total          |
|----------------------------|------------------|-------------------|----------------|
| Vehicle/equipment loans    | 2995.77          | Nil               | 2995.77        |
| Home loans                 | Nil              | Nil               | Nil            |
| Personal loans             | 27.89            | Nil               | 27.89          |
| Unsecured loans            | 639.88           | Nil               | 639.88         |
| Gold/Jewel loans           | Nil              | Nil               | Nil            |
| Corporate loans            | Nil              | Nil               | Nil            |
| Others                     | Nil              | Nil               | Nil            |
| <b>Total</b>               | <b>3663.54</b>   | <b>Nil</b>        | <b>3663.54</b> |

1. Securitisation exposures include PTCs originated by the Bank as well as PTCs purchased in case of third party originated securitisation transactions.

#### ii. Details of Risk weights band break-up of securitisation exposure as on 31.03.2023

(₹ in Crore)

|                             | <100% risk weight | 100% risk weight | >100% risk weight | Total         |
|-----------------------------|-------------------|------------------|-------------------|---------------|
| Exposure                    | 3,663.54          | -                | -                 | 3,663.54      |
| <b>Total capital charge</b> | <b>168.42</b>     | <b>-</b>         | <b>-</b>          | <b>168.42</b> |



## DF-7: MARKET RISK IN TRADING BOOK

As on 31.03.2023

### (a) QUALITATIVE DISCLOSURES:

- (1) The Bank follows Standardised Measurement Method (SMM) for computing capital requirement for Market Risk.
- (2) Market Risk Management Department (MRMD) is functioning as a part of Risk Management Department of the Bank, in terms of Governance structure approved by the Board of the Bank.
- (3) MRMD is responsible for identification, assessment, monitoring and reporting of market risk associated with Treasury Operations.
- (4) The following Board approved policies with defined Market Risk Management parameters for each asset class are in place:
  - (a) Market Risk Management Policy
  - (b) Market Risk Limits Policy
  - (c) Investment Policy
  - (d) Trading Policy
  - (e) Stress Test Policy for Market Risk
- (5) Risk monitoring is an ongoing process and risk positions are analysed and reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.
- (6) Risk management and reporting is based on parameters such as Modified Duration, Convexity, PV01, Option Greeks, Maximum permissible exposures, Value at Risk Limits, Concentration Risk Limits, Lower and upper management Action Triggers, in line with global best practices.
- (7) Forex Open position limit (Daylight/Overnight), Stop Loss Limit, Aggregate Gap Limit (AGL), Individual Gap Limit (IGL) as approved by the Board is monitored and exceptions, if any, is reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.
- (8) Value at Risk (VaR) computation and Back-Testing of VaR number is carried out on daily basis. Market Risk Stress Testing is carried out at quarterly intervals as a complement to Value at Risk. Results are reported to Top Management of the Bank, Market Risk Management Committee and Risk Management Committee of the Board.
- (9) Respective Foreign offices monitor market risk of their investment portfolio, as per the local regulatory and RBI stipulations. Further, Stop Loss limit for individual investments and exposure limits for certain portfolios have been prescribed.
- (10) Bank has submitted Letter of Intent (LOI) to RBI to migrate to advanced approach i.e. Internal Models Approach for calculating capital charge for market risk.

### (b) QUANTITATIVE DISCLOSURES:

#### CAPITAL CHARGE ON MARKET RISK

Bank maintains Capital Charge for Market Risk under the Standardised measurement method as under.

|                                            | (₹ in Crore)      |
|--------------------------------------------|-------------------|
| <b>Category</b>                            | <b>31.03.2023</b> |
| Interest rate Risk (including Derivatives) | 12,373.98         |
| Equity Position Risk                       | 10,894.61         |
| Foreign Exchange Risk                      | 902.31            |
| <b>Total</b>                               | <b>24,170.90</b>  |

## Pillar 3 Disclosures

### DF-8: OPERATIONAL RISK

As on 31.03.2023

#### Qualitative disclosures

##### A. The structure and organisation of Operational Risk Management function

- Operational Risk Management Department functions in SBI as part of the Integrated Risk Governance Structure under the control of respective Chief Risk Officer. In SBI, Chief Risk Officer reports to Risk Management Committee of the Board (RMCB)
- The operational risk related issues in other Group entities are being dealt with as per the requirements of the business model and their regulators under the overall control of Chief Risk Officers of respective entities.
- Policies for control and mitigation of Operational Risk in SBI

##### Domestic Banking Entities (SBI)

The following Policies, Framework Documents and Manuals are in place in SBI:

##### Policies and Framework Documents

- Operational Risk Management policy encompasses Operational Risk Management Framework for systematic and proactive identification, assessment, measurement, monitoring, mitigation and reporting of the Operational Risks.
- Loss Data Management Policy.
- IT Policy and Standards.
- IT Procedures and Guidelines
- Cyber Security Policy
- Information Security Policy
- Business Continuity and Operational Resilience (BC& OR) Policy.
- SBGITC Business Continuity Management System (BCMS) Policy
- Policy on Know Your Customer (KYC) Standards and Anti Money Laundering (AML)/ Combating of Financing of Terrorism Measures.
- Policy on Fraud Risk Management.
- IT Outsourcing and Procurement Policy.
- Policy on Insurance.

##### Manuals

- Operational Risk Management Manual
- Loss Data Management Manual
- Business Continuity and Operational Resilience (BC& OR) Manual
- Business Continuity Management System (BCMS) Plan

### Domestic Non-Banking and Overseas Banking entities

Policies and Manuals, as relevant to the business model of non-Banking entities and as per the requirements of the overseas regulators in respect of Overseas Banking subsidiaries are in place. A few of the policies in place are – Disaster Recovery Plan/ Business Continuity Plan, Incident Reporting Mechanism, Near Miss Events Reporting Mechanism, Outsourcing Policy, etc.

## B. Strategies and Processes

### Domestic Banking entities (SBI)

- To successfully embed the risk culture and operational risk management, Risk Management Committees at various levels at Circles like RMCAOs, RMCCs, and RMCs at the Business and Support Groups (RMC-RB & O, RMC-IBG, RMC-GMU, RMC-CAG, RMC-CCG, RMC-SARG & RMC-IT) are in place in addition to the Operational Risk Management Committee (ORMC) and the Risk Management Committee of the Board (RMCB).
- The process of building a comprehensive database of internal and external losses due to Operational Risks as per Basel defined 8 Business Lines and 7 Loss Event Types is in place. In addition, Near Miss Events and external losses are also captured to improve risk management practices.
- Risk and Control Self-Assessment (RCSA) is a proactive exercise conducted in workshop-based manner to identify gaps, if any, in the existing controls and suggestions are invited for improvement of System & Controls to mitigate the Risks. RCSA also helps in generating risk awareness among staff members. RCSA exercise is carried out across Bank Branches, CPCs and Offices on a yearly basis. Bank also conducts theme based RCSA for Products /Processes. During FY 23, the Bank has conducted 16 Theme-based RCSA exercises and RCSA exercise (sign off) was conducted at the time of launch/ review of 44 products/processes. Based on the RCSA exercise, Mitigation plans are prepared and implemented for activities rated as High & Critical Risks. Feasibility study is carried out by Business owners for suggestions emanated during RCSA exercise for further improvement of System & Controls in the Bank.
- Key Indicators (KIs) have been identified across the Business and Support Groups with threshold and monitoring mechanism. KIs are being monitored at quarterly intervals by the RMCs, the ORMC and the RMCB. Top 10 KIs have been identified during current financial year for close follow up.
- Development of internal systems for quantifying and monitoring operational risk as required under Basel II guidelines is in place.

### Others

The following measures are being used to control and mitigate Operational Risks in the Domestic Banking entities:

- Book of Instructions" (Manual on General Instructions, Manual on Loans & Advances) which contains detailed procedural guidelines for processing various banking transactions. Amendments and modifications to update these guidelines are being carried out regularly through e-circulars/Master circulars. Guidelines and instructions are also propagated through e-Circulars, E-Learning Lessons, Training Programs, etc.
- Updated Manuals and operating instructions relating to Business Process Re-engineering (BPR) units.
- Delegation of Financial powers, which details sanctioning powers of various levels of officials for different types of financial and non-financial transactions.
- Training of staff-Inputs on Operational Risk is included as a part of Risk Management modules in the trainings conducted for various categories of staff at Bank's Apex Training Institutes and State Bank Institute of Learning and Development.
- Insurance cover is obtained for most of the potential operational risks excluding frauds, as per Bank's policy on insurance.

## Pillar 3 Disclosures

- Internal Auditors are responsible for the examination and evaluation of the adequacy and effectiveness of the control systems and the functioning of specific control procedures. They also conduct review of the existing systems to ensure compliance with legal and regulatory requirements, codes of conduct and the implementation of policies and procedures.
- In order to ensure business continuity, resumption and recovery of critical business process after a disaster, the Bank has robust Business Continuity and Operational Resilience Policy and Manuals in place.
- Stringent Implementation of vacation policy.
- Conduct of RCSA-Abridged at remaining Branches where RCSA is not proposed.

### Domestic Non-Banking and Overseas Banking entities

Adequate measures by way of systems and procedures and reporting have been put in place in the Domestic Non-Banking and Overseas Banking entities.

## C. The scope and nature of Risk Reporting and Measurement Systems

- A system of prompt submission of reports on Frauds is in place in all the Group entities.
- A comprehensive system of Preventive Vigilance & Whistle Blowing has been established in all the Group entities.
- Significant risks thrown up in RCSA/RCSA-Abridged exercise at all Branches, Scenario Analysis and loss data/NMEs analysis are reported to Top Management at regular intervals and corrective actions are initiated on an ongoing basis.
- Basic Indicator Approach with capital charge of 15% of average gross income for previous 3 years is applied for Operational Risk, except Insurance Companies, for the year ended 31<sup>st</sup> March 2023.

## DF-9: INTEREST RATE RISK IN BANKING BOOK (IRRBB)

As on 31.03.2023

### 1. Qualitative Disclosures

Interest rate risk refers to impact on Bank's Net Interest Income and the value of its assets and liabilities arising from fluctuations in interest rate due to internal and external factors. Internal factors include the composition of the Bank's assets and liabilities, quality, maturity, existing rates and re-pricing period of deposits, borrowings, loans and investments. External factors cover general economic conditions. Rising or falling interest rates impact the Bank depending on whether the Balance Sheet is asset sensitive or liability sensitive. The Bank identifies the inherent risks associated with the changing interest rates on its on-balance sheet and off-balance sheet exposures in the banking book from both a short-term and long-term perspective.

#### 1.1 Structure and organisation

The Asset-Liability Management Committee (ALCO) is responsible for evolving appropriate systems and procedures for ongoing identification and analysis of Balance Sheet risks and laying down parameters for efficient management of these risks through ALM Policy of the Bank. ALCO, therefore, periodically monitors and controls the risks and returns, funding and deployment, setting Bank's lending and deposit rates, and directing the investment activities of the Bank. The Risk Management Committee of the Board of Directors (RMCB) oversees the implementation of the system for ALM and reviews its functioning periodically and provides direction. It reviews various decisions taken by ALCO for managing interest rate risk.

## 1.2 Scope and nature of risk reporting and measurement systems

RBI has stipulated monitoring of Interest Rate Risk at monthly intervals through a Statement of Interest Rate Sensitivity under Traditional Gap Analysis (IRS-TGA). Accordingly, ALCO reviews IRS-TGA on monthly basis and monitors the Earnings at Risk (EaR) which measures the change in Net Interest Income of the Bank due to parallel change in interest rate on both the assets & liabilities.

RBI has also stipulated to estimate the impact of change in interest rates on economic value of Bank's assets and liabilities through Interest Rate Sensitivity under Duration Gap Analysis (IRS-DGA), which Bank carries out on monthly basis. The impact of interest rate changes on the Market Value of Equity is monitored through IRS-DGA by recognising the changes in the value of assets and liabilities by a given change in the market interest rate. The change in value of equity (including reserves) with 2% parallel shift in interest rates for both assets and liabilities is estimated.

EaR: The immediate impact of changes in interest rates is on Bank's earnings through changes in its Net Interest Income (NII). EaR is useful in calculating the impact of the change in interest rate on the NII for a shorter period of time (impact over a one-year period). The EaR computations include the banking book as well as the trading book.

MVE: A long-term impact of changes in interest rates is on Bank's Market Value of Equity (MVE) or Net Worth through changes in the economic value of its liabilities and off-balance sheet positions. Although these changes in value do not pass through earnings, they have a bearing on Bank's capital position.

The Bank uses MVE approach as part of a framework to manage IRRBB for its domestic and foreign operations. Impact on MVE is assessed for the overall Bank and Banking Book separately. In order to effectively monitor and manage IRRBB, the ALM Policy stipulates separate MVE limits for overall Bank and Banking Book.

## 1.3 Policies for hedging and mitigating risk

The Bank has a policy for undertaking hedge transactions. Depending on the underlying and prevailing market conditions, the Bank enters into hedge transactions for identified assets or liabilities. Derivative instruments like Interest Rate Swaps, OIS, Forward Rate Agreements and Cross Currency Swaps are used as a hedging technique by the Bank.

## 2. Quantitative Disclosures

- 2.1** The following table sets forth, estimated impact on NII due to changes in interest rates on interest sensitive positions as on 31<sup>st</sup> March 2023, assuming a parallel shift in the yield curve.

### Earnings at Risk (EaR)

|                                                                                                           | (₹ in Crore)  |
|-----------------------------------------------------------------------------------------------------------|---------------|
|                                                                                                           | Impact on NII |
| Impact of 100 bps parallel shift in interest rate on both assets & liability on Net Interest Income (NII) | 10,117.34     |
| Impact of 200 bps parallel shift in interest rate on both assets & liability on Net Interest Income (NII) | 20,234.68     |

- 2.2** The following table sets forth, estimated impact on MVE due to changes in interest rates on interest sensitive positions as on 31<sup>st</sup> March 2023, assuming a parallel shift in the yield curve.

### Market Value of Equity (MVE)

|                                                                                                                             | (₹ in Crore)  |
|-----------------------------------------------------------------------------------------------------------------------------|---------------|
|                                                                                                                             | Impact on MVE |
| Impact of 100 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE) - Banking Book | 19,458.89     |
| Impact of 200 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE) - Banking Book | 38,917.78     |

## Pillar 3 Disclosures

### DF-10: GENERAL DISCLOSURE FOR EXPOSURE RELATED TO COUNTERPARTY CREDIT RISK

As on 31.03.2023

#### Qualitative Disclosure:

Credit Risk Management Department of the Bank uses scoring models for setting limits for amounts of counterparty exposure for Domestic Banks, Foreign Banks, Development Financial Institution, Primary Dealers, Small Finance Banks & Payment Banks.

Credit Risk Management Department allocates the exposure limits to all business units, viz., CAG, CCG, R&DB, Global Markets & IBG, who in turn allocate the limits among various operating units under their respective control.

Classification and recognition of collaterals

The Bank will accept, recognise and attribute value to collateral, both for internal sanctioning and/or regulatory capital relief purposes, only when the following conditions are fulfilled:

- There is a legal certainty of enforceability and effectiveness of collateral in all relevant jurisdictions
- All contractual and statutory requirements with respect to the loan and collateral documentation are fulfilled.
- The Bank has obtained a legal charge to the said collateral (including second/subordinate or paripassu charges, in addition to first legal charge).
- The legal mechanism by which the collateral is pledged or transferred ensures that the Bank has the right to liquidate or take possession of it in a timely manner, in the event of a default, insolvency or bankruptcy on the part of the counterparty or any third party.
- The Bank has clear and robust procedures for the timely liquidation of collateral to ensure that any legal conditions required for declaring the default of the counterparty and liquidating the collateral are fulfilled and collateral can be liquidated promptly.

For the purposes of eligibility for IRB capital computation, collaterals are required to satisfy all operational criteria outlined in RBI IRB guidelines.

Counterparty Credit Risk is the risk that the counterparty to a derivative transaction can default before the final settlement of the transaction's cash flow. To mitigate this risk, derivative transactions are undertaken only with those counterparties where approved counterparty limits are in place. Counterparty limits for banks are assessed using internal models considering a number of financial parameters like networth, capital adequacy ratio, rating etc. For corporates, the Derivatives limits are assessed and sanctioned in conjunction with regular credit limit as part of regular appraisal.

#### Quantitative Disclosure:

| (₹ In Crore)                                         |                   |                         |                                              |
|------------------------------------------------------|-------------------|-------------------------|----------------------------------------------|
| Distribution of Notional and Current Credit Exposure | Notional          | Current credit exposure | Exposure under Current Exposure Method (CEM) |
| a) Interest rate Swaps                               | 768634.27         | 4021.11                 | 9932.30                                      |
| b) Cross Currency Swaps                              | 92668.63          | 2299.24                 | 9080.65                                      |
| c) Currency Options                                  | 55325.81          | 29.39                   | 1774.55                                      |
| d) Foreign Exchange Contracts                        | 906106.51         | 5011.26                 | 26990.90                                     |
| e) Currency Futures                                  | -                 | -                       | -                                            |
| f) Forward Rate Agreements                           | 300.66            | -                       | -                                            |
| g) Others (please specify product name) - NDF        | 103372.16         | 333.63                  | 2401.07                                      |
| <b>Total</b>                                         | <b>1926408.04</b> | <b>11694.62</b>         | <b>50179.47</b>                              |
| Credit Derivative transactions                       | NIL               |                         |                                              |

## DF-11: COMPOSITION OF CAPITAL

As on 31.03.2023

(₹ in Crore)

| Basel III common disclosure template to be used from March 31, 2017 |                                                                                                                                                                                                                                                                     |           |                                           |
|---------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------------------------------|
| Common Equity Tier 1 capital: instruments and reserves              |                                                                                                                                                                                                                                                                     |           | Ref No. (with respect to DF - 12: Step 2) |
| 1                                                                   | Directly issued qualifying common share capital plus related stock surplus (share premium)                                                                                                                                                                          | 80007.94  | A1 + B3                                   |
| 2                                                                   | Retained earnings                                                                                                                                                                                                                                                   | 209920.68 | B1 + B2 + B7 + B8 + B9 (#)                |
| 3                                                                   | Accumulated other comprehensive income (and other reserves)                                                                                                                                                                                                         | 23237.42  | B5 * 75% + B6 * 45%                       |
| 4                                                                   | Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)                                                                                                                                                               | 0.00      |                                           |
| 5                                                                   | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)                                                                                                                                                                | 2165.45   |                                           |
| 6                                                                   | Common Equity Tier 1 capital before regulatory adjustments                                                                                                                                                                                                          | 315331.49 |                                           |
| Common Equity Tier 1 capital: regulatory adjustments                |                                                                                                                                                                                                                                                                     |           |                                           |
| 7                                                                   | Prudential valuation adjustments                                                                                                                                                                                                                                    | 530.86    |                                           |
| 8                                                                   | Goodwill (net of related tax liability)                                                                                                                                                                                                                             | 1538.36   | D                                         |
| 9                                                                   | Intangibles (net of related tax liability)                                                                                                                                                                                                                          | 10.66     |                                           |
| 10                                                                  | Deferred Tax Assets                                                                                                                                                                                                                                                 | 48.47     |                                           |
| 11                                                                  | Cash-flow hedge reserve                                                                                                                                                                                                                                             | 0.00      |                                           |
| 12                                                                  | Shortfall of provisions to expected losses                                                                                                                                                                                                                          | 0.00      |                                           |
| 13                                                                  | Securitisation gain on sale                                                                                                                                                                                                                                         | 0.00      |                                           |
| 14                                                                  | Gains and losses due to changes in own credit risk on fair valued liabilities                                                                                                                                                                                       | 0.00      |                                           |
| 15                                                                  | Defined-benefit pension fund net assets                                                                                                                                                                                                                             | 0.00      |                                           |
| 16                                                                  | Investments in own shares (if not already netted off paid-up capital on reported balance sheet)                                                                                                                                                                     | 258.57    |                                           |
| 17                                                                  | Reciprocal cross-holdings in common equity                                                                                                                                                                                                                          | 3.95      |                                           |
| 18                                                                  | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | 0.00      |                                           |
| 19                                                                  | Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)                                                       | 0.00      |                                           |
| 20                                                                  | Mortgage servicing rights (amount above 10% threshold)                                                                                                                                                                                                              | 0.00      |                                           |
| 21                                                                  | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)                                                                                                                                                   | 0.00      |                                           |
| 22                                                                  | Amount exceeding the 15% threshold                                                                                                                                                                                                                                  | 0.00      |                                           |
| 23                                                                  | of which: significant investments in the common stock of financial entities                                                                                                                                                                                         | 0.00      |                                           |
| 24                                                                  | of which: mortgage servicing rights                                                                                                                                                                                                                                 | 0.00      |                                           |
| 25                                                                  | of which: deferred tax assets arising from temporary differences                                                                                                                                                                                                    | 0.00      |                                           |
| 26                                                                  | National specific regulatory adjustments (26a+26b+26c+26d)                                                                                                                                                                                                          | 1373.66   |                                           |
| 26a                                                                 | of which: Investments in the equity capital of unconsolidated insurance subsidiaries                                                                                                                                                                                | 1319.68   |                                           |
| 26b                                                                 | of which: Investments in the equity capital of unconsolidated non-financial subsidiaries                                                                                                                                                                            | 53.98     |                                           |

## Pillar 3 Disclosures

(₹ in Crore)

### Basel III common disclosure template to be used from March 31, 2017

|                                                               |                                                                                                                                                                                                                                                                                          | Ref No. (with respect to DF - 12: Step 2) |
|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| <b>Common Equity Tier 1 capital: instruments and reserves</b> |                                                                                                                                                                                                                                                                                          |                                           |
| 26c                                                           | of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank                                                                                                                                                            | 0.00                                      |
| 26d                                                           | of which: Unamortised pension funds expenditures                                                                                                                                                                                                                                         | 0.00                                      |
| 27                                                            | Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions                                                                                                                                                              | 0.00                                      |
| 28                                                            | Total regulatory adjustments to Common equity Tier 1                                                                                                                                                                                                                                     | 3764.53                                   |
| 29                                                            | Common Equity Tier 1 capital (CET1)                                                                                                                                                                                                                                                      | 311566.96                                 |
| <b>Additional Tier 1 capital: instruments</b>                 |                                                                                                                                                                                                                                                                                          |                                           |
| 30                                                            | Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)                                                                                                                                                                              | 49842.70                                  |
| 31                                                            | of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)                                                                                                                                                                        | 0                                         |
| 32                                                            | of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)                                                                                                                                                                                   | 49842.70                                  |
| 33                                                            | Directly issued capital instruments subject to phase out from Additional Tier 1                                                                                                                                                                                                          | 0                                         |
| 34                                                            | Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)                                                                                                                                | 406.02                                    |
| 35                                                            | of which: instruments issued by subsidiaries subject to phase out                                                                                                                                                                                                                        | 0.00                                      |
| 36                                                            | Additional Tier 1 capital before regulatory adjustments                                                                                                                                                                                                                                  | 50248.72                                  |
| <b>Additional Tier 1 capital: regulatory adjustments</b>      |                                                                                                                                                                                                                                                                                          |                                           |
| 37                                                            | Investments in own Additional Tier 1 instruments                                                                                                                                                                                                                                         | 0.00                                      |
| 38                                                            | Reciprocal cross-holdings in Additional Tier 1 instruments                                                                                                                                                                                                                               | 150.00                                    |
| 39                                                            | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold) | 0.00                                      |
| 40                                                            | Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)                                                                                                             | 0.00                                      |
| 41                                                            | National specific regulatory adjustments (41a+41b)                                                                                                                                                                                                                                       | 0.00                                      |
| 41a                                                           | of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries                                                                                                                                                                                          | 0.00                                      |
| 41b                                                           | of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank                                                                                                                                                 | 0.00                                      |
| 42                                                            | Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions                                                                                                                                                                                       | 0.00                                      |
| 43                                                            | Total regulatory adjustments to Additional Tier 1 capital                                                                                                                                                                                                                                | 150.00                                    |
| 44                                                            | Additional Tier 1 capital (AT1)                                                                                                                                                                                                                                                          | 50098.72                                  |
| 45                                                            | Tier 1 capital (T1 = CET1 + AT1) (29 + 44)                                                                                                                                                                                                                                               | 361665.68                                 |
| <b>Tier 2 capital: instruments and provisions</b>             |                                                                                                                                                                                                                                                                                          |                                           |
| 46                                                            | Directly issued qualifying Tier 2 instruments plus related stock surplus                                                                                                                                                                                                                 | 35014.10                                  |
| 47                                                            | Directly issued capital instruments subject to phase out from Tier 2                                                                                                                                                                                                                     | 513.88                                    |
| 48                                                            | Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)                                                                                                                         | 854.52                                    |
| 49                                                            | of which: instruments issued by subsidiaries subject to phase out                                                                                                                                                                                                                        |                                           |
| 50                                                            | Provisions                                                                                                                                                                                                                                                                               | 38527.59                                  |
| 51                                                            | Tier 2 capital before regulatory adjustments                                                                                                                                                                                                                                             | 74910.09                                  |



**Basel III common disclosure template to be used from March 31, 2017**

|                                                                           |                                                                                                                                                                                                                                                                                              | Ref No. (with respect to DF - 12: Step 2) |
|---------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| <b>Common Equity Tier 1 capital: instruments and reserves</b>             |                                                                                                                                                                                                                                                                                              |                                           |
| <b>Tier 2 capital: regulatory adjustments</b>                             |                                                                                                                                                                                                                                                                                              |                                           |
| 52                                                                        | Investments in own Tier 2 instruments                                                                                                                                                                                                                                                        | 2.4                                       |
| 53                                                                        | Reciprocal cross-holdings in Tier 2 instruments                                                                                                                                                                                                                                              | 0                                         |
| 54                                                                        | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) | 0.00                                      |
| 55                                                                        | Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)                                                                                                                    | 13.48                                     |
| 56                                                                        | National specific regulatory adjustments (56a+56b)                                                                                                                                                                                                                                           | 0.00                                      |
| 56a                                                                       | of which: Investments in the Tier 2 capital of unconsolidated insurance subsidiaries                                                                                                                                                                                                         | 0.00                                      |
| 56b                                                                       | of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank                                                                                                                                                                | 0.00                                      |
| 57                                                                        | Total regulatory adjustments to Tier 2 capital                                                                                                                                                                                                                                               | 15.88                                     |
| 58                                                                        | Tier 2 capital (T2)                                                                                                                                                                                                                                                                          | 74894.21                                  |
| 59                                                                        | Total capital (TC = T1 + T2) (45 + 58)                                                                                                                                                                                                                                                       | 436559.89                                 |
| 60                                                                        | Total risk weighted assets (60a + 60b + 60c)                                                                                                                                                                                                                                                 | 2941677.94                                |
| 60a                                                                       | of which: total credit risk weighted assets                                                                                                                                                                                                                                                  | 2349191.85                                |
| 60b                                                                       | of which: total market risk weighted assets                                                                                                                                                                                                                                                  | 302136.3                                  |
| 60c                                                                       | of which: total operational risk weighted assets                                                                                                                                                                                                                                             | 290349.79                                 |
| <b>Capital ratios and buffers</b>                                         |                                                                                                                                                                                                                                                                                              |                                           |
| 61                                                                        | Common Equity Tier 1 (as a percentage of risk weighted assets)                                                                                                                                                                                                                               | 10.59                                     |
| 62                                                                        | Tier 1 (as a percentage of risk weighted assets)                                                                                                                                                                                                                                             | 12.29                                     |
| 63                                                                        | Total capital (as a percentage of risk weighted assets)                                                                                                                                                                                                                                      | 14.84                                     |
| 64                                                                        | Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)                                                                       | 8.60                                      |
| 65                                                                        | of which: capital conservation buffer requirement                                                                                                                                                                                                                                            | 2.50                                      |
| 66                                                                        | of which: bank specific countercyclical buffer requirement                                                                                                                                                                                                                                   | 0.00                                      |
| 67                                                                        | of which: D-SIB buffer requirement                                                                                                                                                                                                                                                           | 0.60                                      |
| 68                                                                        | Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)                                                                                                                                                                                                     | 5.09                                      |
| <b>National minima (if different from Basel III)</b>                      |                                                                                                                                                                                                                                                                                              |                                           |
| 69                                                                        | National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)                                                                                                                                                                                                            | 5.50                                      |
| 70                                                                        | National Tier 1 minimum ratio (if different from Basel III minimum)                                                                                                                                                                                                                          | 7.00                                      |
| 71                                                                        | National total capital minimum ratio (if different from Basel III minimum)                                                                                                                                                                                                                   | 9.00                                      |
| <b>Amounts below the thresholds for deduction (before risk weighting)</b> |                                                                                                                                                                                                                                                                                              |                                           |
| 72                                                                        | Non-significant investments in the capital of other financial entities                                                                                                                                                                                                                       | 0.00                                      |
| 73                                                                        | Significant investments in the common stock of financial entities                                                                                                                                                                                                                            | 562.58                                    |
| 74                                                                        | Mortgage servicing rights (net of related tax liability)                                                                                                                                                                                                                                     | 0.00                                      |
| 75                                                                        | Deferred tax assets arising from temporary differences (net of related tax liability)                                                                                                                                                                                                        | 11060.24                                  |

## Pillar 3 Disclosures

(₹ in Crore)

| Basel III common disclosure template to be used from March 31, 2017                                               |                                                                                                                                                                                      |              | Ref No. (with respect to DF - 12: Step 2) |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------|
| Common Equity Tier 1 capital: instruments and reserves                                                            |                                                                                                                                                                                      |              |                                           |
| Applicable caps on the inclusion of provisions in Tier 2                                                          |                                                                                                                                                                                      |              |                                           |
| 76                                                                                                                | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)                                                   | 38527.59     |                                           |
| 77                                                                                                                | Cap on inclusion of provisions in Tier 2 under standardised approach                                                                                                                 | 29364.90     |                                           |
| 78                                                                                                                | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)                                         | 0.00         |                                           |
| 79                                                                                                                | Cap for inclusion of provisions in Tier 2 under internal ratings-based approach                                                                                                      | 0.00         |                                           |
| Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022) |                                                                                                                                                                                      |              |                                           |
| 80                                                                                                                | Current cap on CET1 instruments subject to phase out arrangements                                                                                                                    | 0.00         |                                           |
| 81                                                                                                                | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)                                                                                              | 0.00         |                                           |
| 82                                                                                                                | Current cap on AT1 instruments subject to phase out arrangements                                                                                                                     | 0%           |                                           |
| 83                                                                                                                | Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)                                                                                               | 0.00         |                                           |
| 84                                                                                                                | Current cap on T2 instruments subject to phase out arrangements                                                                                                                      | 0%           |                                           |
| 85                                                                                                                | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)                                                                                                | 0.00         |                                           |
| Notes to the Template                                                                                             |                                                                                                                                                                                      |              |                                           |
| Row No. of the template                                                                                           | Particular                                                                                                                                                                           | (₹ in Crore) |                                           |
| 10                                                                                                                | Deferred tax assets associated with accumulated losses                                                                                                                               | 48.47        |                                           |
|                                                                                                                   | Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability                                                                               | 11060.24     |                                           |
|                                                                                                                   | Total as indicated in row 10                                                                                                                                                         | 48.47        |                                           |
| 19                                                                                                                | If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank | 0.00         |                                           |
|                                                                                                                   | of which: Increase in Common Equity Tier 1 capital                                                                                                                                   | 0.00         |                                           |
|                                                                                                                   | of which: Increase in Additional Tier 1 capital                                                                                                                                      | 0.00         |                                           |
|                                                                                                                   | of which: Increase in Tier 2 capital                                                                                                                                                 | 0.00         |                                           |
| 26b                                                                                                               | If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:                                                    | 0.00         |                                           |
|                                                                                                                   | (i) Increase in Common Equity Tier 1 capital                                                                                                                                         | 0.00         |                                           |
|                                                                                                                   | (ii) Increase in risk weighted assets                                                                                                                                                | 0.00         |                                           |
| 50                                                                                                                | Eligible Provisions included in Tier 2 capital                                                                                                                                       | 38527.59     |                                           |
|                                                                                                                   | Eligible Revaluation Reserves included in Tier 2 capital                                                                                                                             | 0.00         |                                           |
|                                                                                                                   | Total of row 50                                                                                                                                                                      | 38527.59     |                                           |
| # B7: Revenue & Other Reserves is taken net of Integration & Development Fund (₹5 Crore)                          |                                                                                                                                                                                      |              |                                           |

## DF-12: COMPOSITION OF CAPITAL - RECONCILIATION REQUIREMENT

As on 31.03.2023

### Step 1

(₹ in Crore)

| COMPOSITION OF CAPITAL - RECONCILIATION REQUIREMENT |                                                              | Balance sheet as in<br>financial statements | Balance sheet under<br>regulatory scope of<br>consolidation |
|-----------------------------------------------------|--------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------|
|                                                     |                                                              | As on reporting date                        | As on reporting date                                        |
| <b>A</b>                                            | <b>Capital &amp; Liabilities</b>                             |                                             |                                                             |
| i                                                   | <b>Paid-up Capital</b>                                       | 892.46                                      | 892.46                                                      |
|                                                     | Reserves & Surplus                                           | 3,58,038.86                                 | 3,43,398.27                                                 |
|                                                     | Minority Interest                                            | 12,836.62                                   | 6,102.95                                                    |
|                                                     | <b>Total Capital</b>                                         | <b>3,71,767.94</b>                          | <b>3,50,393.68</b>                                          |
| ii                                                  | <b>Deposits</b>                                              | 44,68,535.51                                | 44,69,795.24                                                |
|                                                     | of which: Deposits from banks                                | 10,772.06                                   | 10,772.06                                                   |
|                                                     | of which: Customer deposits                                  | 44,57,763.45                                | 44,59,023.18                                                |
|                                                     | of which: Other deposits (pl. specify)                       | -                                           | -                                                           |
| iii                                                 | <b>Borrowings</b>                                            | 5,21,151.95                                 | 5,21,301.95                                                 |
|                                                     | of which: From RBI                                           | 26,467.44                                   | 26,467.44                                                   |
|                                                     | of which: From banks                                         | 2,25,240.03                                 | 2,25,240.03                                                 |
|                                                     | of which: From other institutions & agencies                 | 1,55,559.17                                 | 1,55,559.17                                                 |
|                                                     | of which: Others (Bonds Other than Capital Instrument Bonds) | 23,073.00                                   | 23,223.00                                                   |
|                                                     | of which: Capital instruments                                | 90,812.31                                   | 90,812.31                                                   |
| iv                                                  | <b>Other liabilities &amp; provisions</b>                    | 5,92,962.92                                 | 2,80,022.21                                                 |
|                                                     | <b>Total</b>                                                 | <b>59,54,418.32</b>                         | <b>56,21,513.08</b>                                         |
| <b>B</b>                                            | <b>Assets</b>                                                |                                             |                                                             |
| i                                                   | <b>Cash and balances with Reserve Bank of India</b>          | 2,47,321.05                                 | 2,47,256.27                                                 |
|                                                     | Balance with banks and money at call and short notice        | 70,990.86                                   | 66,628.36                                                   |
| ii                                                  | <b>Investments</b>                                           | 19,13,107.86                                | 15,93,526.27                                                |
|                                                     | of which: Government securities                              | 13,92,137.38                                | 12,90,214.75                                                |
|                                                     | of which: Other approved securities                          | 35,059.73                                   | 297.54                                                      |
|                                                     | of which: Shares                                             | 1,05,387.92                                 | 14,374.82                                                   |
|                                                     | of which: Debentures & Bonds                                 | 3,14,619.79                                 | 2,44,407.30                                                 |
|                                                     | of which: Subsidiaries / Joint Ventures / Associates         | 16,189.21                                   | 10,701.76                                                   |
|                                                     | of which: Others (Commercial Papers, Mutual Funds etc.)      | 49,713.83                                   | 33,530.10                                                   |
| iii                                                 | <b>Loans and advances</b>                                    | 32,67,902.13                                | 32,67,512.67                                                |
|                                                     | of which: Loans and advances to banks                        | 1,52,608.02                                 | 1,52,608.02                                                 |
|                                                     | of which: Loans and advances to customers                    | 31,15,294.11                                | 31,14,904.65                                                |
| iv                                                  | <b>Fixed assets</b>                                          | 44,407.38                                   | 43,562.02                                                   |
| v                                                   | <b>Other assets</b>                                          | 4,09,150.68                                 | 4,01,489.13                                                 |
|                                                     | of which: Goodwill                                           | -                                           | -                                                           |
|                                                     | of which: Other intangibles (excluding MSRs)                 | -                                           | -                                                           |
|                                                     | of which: Deferred tax assets                                | 11,136.38                                   | 11,112.51                                                   |
| vi                                                  | <b>Goodwill on consolidation</b>                             | 1,538.36                                    | 1,538.36                                                    |
| vii                                                 | <b>Debit balance in Profit &amp; Loss account</b>            | -                                           | -                                                           |
|                                                     | <b>Total Assets</b>                                          | <b>59,54,418.32</b>                         | <b>56,21,513.08</b>                                         |

## Pillar 3 Disclosures

### Step 2

(₹ in Crore)

| COMPOSITION OF CAPITAL – RECONCILIATION REQUIREMENT |                                                                   | Balance sheet as in<br>financial statements | Balance sheet under<br>regulatory scope of<br>consolidation | Reference<br>number |
|-----------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------|---------------------|
|                                                     |                                                                   | As on reporting date                        | As on reporting date                                        |                     |
| <b>A</b>                                            | <b>Capital &amp; Liabilities</b>                                  |                                             |                                                             |                     |
| i                                                   | <b>Paid-up Capital</b>                                            | 892.46                                      | 892.46                                                      | A                   |
|                                                     | of which: Amount eligible for CET 1                               | 892.46                                      | 892.46                                                      | A1                  |
|                                                     | of which: Amount eligible for AT1                                 | -                                           | -                                                           | A2                  |
|                                                     | Reserves & Surplus                                                | 3,58,038.86                                 | 3,43,398.27                                                 | B                   |
|                                                     | of which: Statutory Reserve                                       | 1,02,309.50                                 | 1,02,309.50                                                 | B1                  |
|                                                     | of which: Capital Reserves                                        | 16,348.61                                   | 16,318.16                                                   | B2                  |
|                                                     | of which: Share Premium                                           | 79,115.48                                   | 79,115.48                                                   | B3                  |
|                                                     | of which: Investment Reserve                                      | -                                           | -                                                           | B4                  |
|                                                     | of which: Investment Revaluation Reserve                          | 12,271.38                                   | 12,271.38                                                   |                     |
|                                                     | of which: Foreign Currency Translation Reserve                    | 14,331.75                                   | 14,329.47                                                   | B5                  |
|                                                     | of which: Revaluation Reserve on Fixed Assets                     | 27,756.26                                   | 27,756.26                                                   | B6                  |
|                                                     | of which: Revenue and Other Reserves                              | 46,233.27                                   | 39,455.31                                                   | B7                  |
|                                                     | of which: Reserves under Sec. 36(1)(viii) of Income Tax Act, 1961 | 17,749.31                                   | 17,749.31                                                   | B8                  |
|                                                     | of which: Balance in Profit & Loss Account                        | 41,923.30                                   | 34,093.40                                                   | B9                  |
|                                                     | Minority Interest                                                 | 12,836.62                                   | 6,102.95                                                    |                     |
|                                                     | <b>Total Capital</b>                                              | <b>3,71,767.94</b>                          | <b>3,50,393.68</b>                                          |                     |
| ii                                                  | <b>Deposits</b>                                                   | 44,68,535.51                                | 44,69,795.24                                                |                     |
|                                                     | of which: Deposits from banks                                     | 10,772.06                                   | 10,772.06                                                   |                     |
|                                                     | of which: Customer deposits                                       | 44,57,763.45                                | 44,59,023.18                                                |                     |
|                                                     | of which: Other deposits (pl. specify)                            | -                                           | -                                                           |                     |
| iii                                                 | <b>Borrowings</b>                                                 | 5,21,151.95                                 | 5,21,301.95                                                 |                     |
|                                                     | of which: From RBI                                                | 26,467.44                                   | 26,467.44                                                   |                     |
|                                                     | of which: From banks                                              | 2,25,240.03                                 | 2,25,240.03                                                 |                     |
|                                                     | of which: From other institutions & agencies                      | 1,55,559.17                                 | 1,55,559.17                                                 |                     |
|                                                     | of which: Others (Bonds Other than Capital Instrument Bonds)      | 23,073.00                                   | 23,223.00                                                   |                     |
|                                                     | of which: Capital instruments                                     | 90,812.31                                   | 90,812.31                                                   |                     |
| iv                                                  | <b>Other liabilities &amp; provisions</b>                         | 5,92,962.92                                 | 2,80,022.21                                                 |                     |
|                                                     | of which: DTLs related to goodwill                                | -                                           | -                                                           |                     |
|                                                     | of which: DTLs related to intangible assets                       | -                                           | -                                                           |                     |
|                                                     | <b>Total</b>                                                      | <b>59,54,418.32</b>                         | <b>56,21,513.08</b>                                         |                     |

(₹ in Crore)

| COMPOSITION OF CAPITAL – RECONCILIATION REQUIREMENT |                                                         | Balance sheet as in<br>financial statements | Balance sheet under<br>regulatory scope of<br>consolidation | Reference<br>number |
|-----------------------------------------------------|---------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------|---------------------|
|                                                     |                                                         | As on reporting date                        | As on reporting date                                        |                     |
| <b>B</b>                                            | <b>Assets</b>                                           |                                             |                                                             |                     |
| i                                                   | <b>Cash and balances with Reserve Bank of India</b>     | 2,47,321.05                                 | 2,47,256.27                                                 |                     |
|                                                     | Balance with banks and money at call and short notice   | 70,990.86                                   | 66,628.36                                                   |                     |
| ii                                                  | <b>Investments</b>                                      | 19,13,107.86                                | 15,93,526.27                                                |                     |
|                                                     | of which: Government securities                         | 13,92,137.38                                | 12,90,214.75                                                |                     |
|                                                     | of which: Other approved securities                     | 35,059.73                                   | 297.54                                                      |                     |
|                                                     | of which: Shares                                        | 1,05,387.92                                 | 14,374.82                                                   |                     |
|                                                     | of which: Debentures & Bonds                            | 3,14,619.79                                 | 2,44,407.30                                                 |                     |
|                                                     | of which: Subsidiaries / Joint Ventures / Associates    | 16,189.21                                   | 10,701.76                                                   |                     |
|                                                     | of which: Others (Commercial Papers, Mutual Funds etc.) | 49,713.83                                   | 33,530.10                                                   |                     |
| iii                                                 | <b>Loans and advances</b>                               | 32,67,902.13                                | 32,67,512.67                                                |                     |
|                                                     | of which: Loans and advances to banks                   | 1,52,608.02                                 | 1,52,608.02                                                 |                     |
|                                                     | of which: Loans and advances to customers               | 31,15,294.11                                | 31,14,904.65                                                |                     |
| iv                                                  | <b>Fixed assets</b>                                     | 44,407.38                                   | 43,562.02                                                   |                     |
| v                                                   | <b>Other assets</b>                                     | 4,09,150.68                                 | 4,01,489.13                                                 |                     |
|                                                     | of which: Goodwill                                      | -                                           | -                                                           |                     |
|                                                     | of which: Other intangibles (excluding MSRs)            | -                                           | -                                                           |                     |
|                                                     | of which: Deferred tax assets                           | 11,136.38                                   | 11,112.51                                                   | C                   |
| vi                                                  | <b>Goodwill on consolidation</b>                        | 1,538.36                                    | 1,538.36                                                    | D                   |
| vii                                                 | <b>Debit balance in Profit &amp; Loss account</b>       | -                                           | -                                                           |                     |
|                                                     | <b>Total Assets</b>                                     | <b>59,54,418.32</b>                         | <b>56,21,513.08</b>                                         |                     |

### Step 3

(₹ in Crore)

| Common Equity Tier 1 capital (CET1): instruments and reserves |                                                                                                                             | Component of<br>regulatory capital<br>reported by bank | Ref No. (with respect<br>to DF - 12: Step 2) |
|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------|
| 1                                                             | Directly issued qualifying common share (and equivalent for non - joint stock companies) capital plus related stock surplus | 80007.94                                               | A1 + B3                                      |
| 2                                                             | Retained earnings                                                                                                           | 209920.68                                              | B1 + B2 + B7 +<br>B8 + B9 (#)                |
| 3                                                             | Accumulated other comprehensive income (and other reserves)                                                                 | 23237.42                                               | B5 * 75% + B6 * 45%                          |
| 4                                                             | Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)                       | 0.00                                                   |                                              |
| 5                                                             | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)                        | 2165.45                                                |                                              |
| 6                                                             | Common Equity Tier 1 capital before regulatory adjustments                                                                  | 315331.49                                              |                                              |
| 7                                                             | Prudential valuation adjustments                                                                                            | 530.86                                                 |                                              |
| 8                                                             | Goodwill (net of related tax liability)                                                                                     | 1538.36                                                | D                                            |

# B7: Revenue &amp; Other Reserves is taken net of Integration &amp; Development Fund (₹5 Crore)

## Pillar 3 Disclosures

### DF 13: Main features of Regulatory Capital Instruments

### DF 14: Full Terms and Conditions of Regulatory Capital Instruments

These disclosures i.e. DF 13 and DF 14 have been uploaded on the Bank's website i.e. [www.sbi.co.in/portal/web/corporate-governance/basel-iii-disclosures](http://www.sbi.co.in/portal/web/corporate-governance/basel-iii-disclosures)

### DF 15 – Disclosure Requirements for Remuneration

Not applicable, as Private sector and foreign banks operating in India are required to make this disclosure.

### DF-16: Equities - Disclosure for Banking Book Positions as on 31.03.2023

#### Qualitative Disclosures

|   |                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                       |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | The general qualitative disclosure with respect to equity risk, including:                                                                                                                                                                                                                                                                               |                                                                                                                                                       |
|   | <ul style="list-style-type: none"> <li>Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons;</li> </ul>                                                                                                                                          | All equity investments in HTM Category are made in Associates, Subsidiaries, Joint Ventures and RRBs. These are strategic in nature.                  |
|   | <ul style="list-style-type: none"> <li>Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices</li> </ul> | Accounting and valuation policies for securities held under HTM category are detailed under Schedule 17 para 2.3(ii) of Bank's Annual Report 2022-23. |

#### Quantitative Disclosures

|   |                                                                                                                                                                                                                                                                                            |                                        |     |                                 |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-----|---------------------------------|
| 1 | Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.                                                    |                                        |     | ₹909.28 Crore                   |
| 2 | The types and nature of investments, including the amount that can be classified as:                                                                                                                                                                                                       |                                        |     |                                 |
|   | Particulars                                                                                                                                                                                                                                                                                | Type                                   |     | Book Value (In Crore)           |
|   | Publicly traded                                                                                                                                                                                                                                                                            | Subsidiaries                           | HTM | 2641.49                         |
|   |                                                                                                                                                                                                                                                                                            | Associate                              | AFS | 7810.00                         |
|   |                                                                                                                                                                                                                                                                                            | Others                                 | HTM | 127.00                          |
|   | Privately held                                                                                                                                                                                                                                                                             | Associates, Subsidiaries, JVs & Others | HTM | 9328.73                         |
| 3 | The cumulative realised gains (losses) arising from sales and liquidations in the reporting period                                                                                                                                                                                         |                                        |     |                                 |
| 4 | Total unrealised gains (losses) <sup>13</sup>                                                                                                                                                                                                                                              |                                        |     | ₹164.01 Crore (Unrealised loss) |
| 5 | Total latent revaluation gains (losses) <sup>14</sup>                                                                                                                                                                                                                                      |                                        |     | ₹3502.58 Crore (MTM Gain)       |
| 6 | Any amounts of the above included in Tier 1 and/or Tier 2 capital                                                                                                                                                                                                                          |                                        |     | ₹84.80 Crore                    |
| 7 | Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition or grandfathering provisions regarding regulatory capital requirements |                                        |     | ₹45.70 Crore                    |

13 Unrealised gains (losses) recognised through the profit and loss account.

14 Unrealised gains (losses) not recognised either in the balance sheet or through the profit and loss account.

## DF-17: COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE

As on 31.03.2023

| ITEM                                                                                                                                                                                 | ₹ (In Million) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 1 Total consolidated assets as per published financial statements                                                                                                                    | 5,95,44,183.17 |
| 2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | -33,29,052.33  |
| 3 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure               | 0.00           |
| 4 Adjustments for derivative financial instruments                                                                                                                                   | 4,37,572.75    |
| 5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)                                                                                          | 11,553.60      |
| 6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)                                                               | 53,25,977.76   |
| 7 Other adjustments                                                                                                                                                                  | -1,55,373.54   |
| 8 Leverage ratio exposure (State Bank Group)                                                                                                                                         | 6,18,34,861.41 |

## DF-18: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

As on 31.03.2023

| ITEM                                                                                                                                       | (₹ in Million) |
|--------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>On balance sheet exposures</b>                                                                                                          |                |
| 1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)                                                        | 5,62,15,130.84 |
| 2 (Asset amounts deducted in determining Basel III Tier 1 capital)                                                                         | -1,55,373.54   |
| 3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)                                                 | 5,60,59,757.30 |
| <b>Derivatives exposures</b>                                                                                                               |                |
| 4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)                               | 1,85,617.47    |
| 5 Add-on amounts for PFE associated with all derivatives transactions                                                                      | 2,51,955.28    |
| 6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework | 0.00           |
| 7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)                                        | 0.00           |
| 8 (Exempted CCP leg of client-cleared trade exposures)                                                                                     | 0.00           |
| 9 Adjusted effective notional amount of written credit derivatives                                                                         | 0.00           |
| 10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)                                              | 0.00           |
| 11 Total derivative exposures (sum of lines 4 to 10)                                                                                       | 4,37,572.75    |
| <b>Securities financing transaction exposure</b>                                                                                           |                |
| 12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions                                     | 11,553.60      |
| 13 (Netted amounts of cash payables and cash receivables of gross SFT assets)                                                              | 0.00           |
| 14 CCR exposure for SFT assets                                                                                                             | 0.00           |
| 15 Agent transaction exposures                                                                                                             | 0.00           |
| 16 Total securities financing transaction exposures (sum of lines 12 to 15)                                                                | 11,553.60      |
| <b>Other off balance sheet exposures</b>                                                                                                   |                |
| 17 Off-balance sheet exposure at gross notional amount                                                                                     | 1,32,56,329.55 |
| 18 (Adjustments for conversion to credit equivalent amounts)                                                                               | -79,30,351.79  |
| 19 Off-balance sheet items (sum of lines 17 and 18)                                                                                        | 53,25,977.76   |
| <b>Capital and total exposures</b>                                                                                                         |                |
| 20 Tier 1 capital                                                                                                                          | 36,16,656.81   |
| 21 Total exposures (sum of lines 3,11,16 and 19)                                                                                           | 6,18,34,861.41 |
| <b>Leverage ratio</b>                                                                                                                      |                |
| 22 Basel III leverage ratio (%) (State Bank Group)                                                                                         | 5.85%          |

## Pillar 3 Disclosures

### DF- GR: Additional Disclosures on Group Risk

As on 31.03.2023

#### Qualitative Disclosure

In respect of Group entities \*

[Overseas Banking entities and Non-Banking entities]

| General Description on                                           |                                                                                                                                                                                       |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Governance Practices                                   | All Group entities adhere to good Corporate Governance practices.                                                                                                                     |
| Disclosure Practices                                             | All Group entities adhere to / follow good disclosure practices.                                                                                                                      |
| Arm's Length Policy in respect of Intra Group Transactions       | All Intra-Group transactions within the State Bank Group have been effected on Arm's Length basis, both as to their commercial terms and as to matters such as provision of security. |
| Common marketing, branding and use of SBI's Symbol               | No Group entity has made use of SBI symbol in a manner that may indicate to public that common marketing, branding implies implicit support of SBI to the Group entity.               |
| Details of Financial Support,# if any                            | No Group entity has provided / received Financial Support from any other entity in the Group.                                                                                         |
| Adherence to all other covenants of Group Risk Management policy | All covenants of the Group Risk Management Policy have meticulously been complied with by the Group entities.                                                                         |

Intra-group transactions which may lead to the following have been broadly treated as 'Financial Support' #:

- a) inappropriate transfer of capital or income from one entity to the other in the Group;
- b) vitiation of the Arm's Length Policy within which the Group entities are expected to operate;
- c) adverse impact on the solvency, liquidity and profitability of the individual entities within the Group;
- d) evasion of capital or other regulatory requirements;
- e) operation of 'Cross Default Clauses' whereby a default by a related entity on an obligation (whether financial or otherwise) is deemed to trigger a default on itself.



\* Entities covered:

| <b>BANKING - OVERSEAS</b>        | <b>NON - BANKING</b>                        |
|----------------------------------|---------------------------------------------|
| SBI Canada Bank                  | SBI Capital Markets Ltd.                    |
| State Bank of India (California) | SBI Cards & Payment Services Ltd.           |
| SBI (Mauritius) Ltd.             | SBI DFHI Ltd.                               |
| PT Bank SBI Indonesia            | SBI Funds Management Ltd.                   |
| Commercial Indo Bank LLC, Moscow | SBI General Insurance Company Ltd.          |
| Nepal SBI Bank Ltd.              | SBI Global Factors Ltd.                     |
| State Bank of India (UK) Ltd.    | SBI Life Insurance Co. Ltd.                 |
|                                  | SBI Pension Funds Pvt. Ltd.                 |
|                                  | SBI-SG Global Securities Services Pvt. Ltd. |

## DECLARATION

Our Bank certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Bank's business have been obtained, are currently valid and have been complied with.

Our Bank further certifies that all the statements in this Placement Document are true and correct.

Signed by and on behalf of the Central Board:

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Challa Sreenivasulu Setty

Chairman

---

Saloni Narayan

Deputy Managing Director (Finance)

**Place:** Mumbai

**Date:** July 21, 2025

## **CORPORATE OFFICE OF OUR BANK**

### **State Bank of India**

Corporate Centre, State Bank Bhavan, Madame Cama Road, Mumbai 400 021, Maharashtra, India

## **BOOK RUNNING LEAD MANAGERS**

### **Kotak Mahindra Capital Company Limited**

1<sup>st</sup> Floor, 27 BKC, Plot No. C – 27 “G” Block, Bandra Kurla  
Complex Bandra (East), Mumbai 400 051, Maharashtra,  
India

### **SBI Capital Markets Limited\***

1501, 15th Floor, A & B Wing,  
Parinee Crescenzo Building, G Block,  
BKC, Bandra East, Mumbai 400051,  
Maharashtra, India

### **ICICI Securities Limited**

ICICI Venture House, Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025, Maharashtra, India

### **Morgan Stanley India Company Private Limited**

Altimus, Level 39 & 40, Pandurang Budhkar Marg, Worli,  
Mumbai 400 018, Maharashtra, India

### **HSBC Securities and Capital Markets (India) Private Limited**

52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001,  
Maharashtra, India

### **Citigroup Global Markets India Private Limited**

1202, 12th Floor, First International Financial Centre G  
Block, Bandra Kurla Complex  
Bandra (East), Mumbai 400 098  
Maharashtra, India

*\*SBI Capital Markets Limited, a subsidiary of our Bank, shall be involved only in marketing of the Issue in compliance with Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 174(2) of the SEBI ICDR Regulations.*

## **LEGAL ADVISORS TO THE BANK**

*As to Indian law*

### **Cyril Amarchand Mangaldas**

Peninsula Chambers, Peninsula Corporate Park Ganpatrao  
Kadam Marg, Lower Parel  
Mumbai 400 013, Maharashtra, India

*As to U.S. law*

### **Linklaters Singapore Pte. Ltd.**

One George Street  
#17-01 Singapore 049 145

## **LEGAL ADVISORS TO THE BOOK RUNNING LEAD MANAGERS**

*As to Indian law*

### **S&R Associates**

One World Center, 1403 Tower 2 B  
841, Senapati Bapat Marg, Lower Parel  
Mumbai 400 013, Maharashtra, India  
Maharashtra, India

*As to U.S. law*

### **Allen Overly Shearman Sterling (Asia) Pte Ltd.**

50 Collyer Quay, #09-01 OUE Bayfront  
Singapore 049321

## **AUDITOR TO THE ISSUE**

M/s. Varma & Varma, Chartered Accountants, Kochi

## SAMPLE APPLICATION FORM

*Following is the indicative Application Form that formed part of the Preliminary Placement Document*



**STATE BANK OF INDIA**

**Corporate Office:** Corporate Centre, State Bank Bhavan,  
Madame Cama Road, Mumbai 400 021, Maharashtra, India

**CIN:** Not Applicable; **Website:** [www.sbi.co.in](http://www.sbi.co.in)

**Tel:** 022 2274 0847 **Email:** [gm.snb@sbi.co.in](mailto:gm.snb@sbi.co.in)

**LEI:** 5493001JZ37UBBZF6L49

**ISIN:** INE062A01020

### APPLICATION FORM

(a) Name of the Bidder: \_\_\_\_\_

(b) Form No.: \_\_\_\_\_

(c) Date: \_\_\_\_\_

**QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹ 1 EACH (THE “EQUITY SHARES”) FOR CASH, AT A PRICE OF ₹[●] PER EQUITY SHARE (THE “ISSUE PRICE”), INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, AGGREGATING TO ₹[●] BILLION, IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”) AND THE STATE BANK OF INDIA ACT, 1955, AS AMENDED (“SBI ACT”), AND SUCH ISSUE, (THE “ISSUE”). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹[●] PER EQUITY SHARE AND OUR BANK MAY OFFER A DISCOUNT OF UPTO 5% ON THE FLOOR PRICE, AS APPROVED BY ITS SHAREHOLDERS.**

Only Qualified Institutional Buyers (“QIBs”) as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are (a) not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) not prohibited or debarred by any regulatory authority from buying, selling or dealing in securities or restricted from participating in this Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws, (c) eligible to invest in this Issue, are eligible to submit this Application Form. Pursuant to press note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments by an entity of a country which shares land border with India or where the beneficial owner of such investment is situated in or is a citizen of such country, may only be made through the Government approval route, as prescribed in the FEMA Rules and shall have to be in conformity with the applicable provisions of FEMA Rules. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; or (ii) Eligible FPIs participating through Schedule II of the FEMA Rules. Further, except as provided in (ii) above, other non-resident QIBs including foreign venture capital investors and multilateral and bilateral development financial institutions are not permitted to participate in the Issue. Also, please note that AIFs or VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules are not permitted to participate in this Issue

The Equity Shares offered in the Issue have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or any other applicable state securities laws of the United States and, unless so registered may not be offered, sold or delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are “qualified institutional buyers” (as defined in Rule 144A under the Securities Act ( “Rule 144A”) and referred to herein as “U.S. QIBs”) pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act; for avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in the PPD (as defined hereinafter) as “QIBs”; and (b) outside the United States, in “offshore transactions” as defined in and in reliance on Regulation S under the Securities Act (“Regulation S”) and the applicable laws of the jurisdiction where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled “Selling Restrictions” and “Transfer Restrictions” on pages 224 and 233, respectively, in the accompanying preliminary placement document dated July 16, 2025 (the “PPD”).

**ONLY ELIGIBLE QIBs ARE PERMITTED TO PARTICIPATE IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH SCHEDULE II OF THE FEMA RULES, IN THIS ISSUE, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS, INCLUDING THE SBI ACT, IN THIS REGARD. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.**

To,

**The Central Board of Directors  
STATE BANK OF INDIA**

**Corporate Office:** Corporate Centre, State Bank Bhavan,  
Madame Cama Road, Mumbai 400021, Maharashtra,  
India

| STATUS (Please tick for applicable category) |                                                      |            |                         |
|----------------------------------------------|------------------------------------------------------|------------|-------------------------|
| <b>FI</b>                                    | Scheduled Commercial Bank and Financial Institutions | <b>IC</b>  | Insurance Companies     |
| <b>MF</b>                                    | Mutual Funds                                         | <b>VCF</b> | Venture Capital Funds** |

Dear Sir/ Madam,

On the basis of the serially numbered PPD of the Bank and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, on the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are : (a) not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) not prohibited or debarred by any regulatory authority from buying, selling or dealing in securities or restricted from participating in this Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; and (c) eligible to invest in this Issue. We are not a promoter of the Bank (as defined in the SEBI ICDR Regulations) or any person related to the promoter of the Bank, directly or indirectly.

|                                                                                                                                                                                                                                      |                                                            |            |                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|------------|------------------------------|
| <b>NIF</b>                                                                                                                                                                                                                           | National Investment Fund                                   | <b>FPI</b> | Foreign Investor*            |
| <b>IF</b>                                                                                                                                                                                                                            | Insurance Funds                                            | <b>AIF</b> | Alternative Investment Funds |
| <b>SI-NBFC</b>                                                                                                                                                                                                                       | Systematically Important Non – Banking Financial Companies | <b>OTH</b> | Others<br>(Please specify)   |
| <i>*Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended.</i><br><i>** Sponsor and Manager should be Indian owned and controlled.</i> |                                                            |            |                              |

Further, we confirm that we do not have any right under a shareholders' agreement, veto rights or right to appoint any nominee director on the Board. We confirm that we are either an Eligible QIB resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules. We confirm that we are not a FVCI participating in this Issue. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation of the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that the bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid does not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We further understand and agree that (i) our names, address, contact details, PAN and bank account details along with other relevant information as may be required will be recorded by the Bank; (ii) in the event that any Equity Shares are Allocated to us in the Issue, our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Bank may be disclosed in the Placement Document; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Bank will place our name in the register of members of the Bank or the relevant depository will record our name in the beneficial owner records maintained by the respective depositories, as a holder of such Equity Shares that may be Allotted to us. Further, we are aware and agree that if we are Allotted more than 5% of the Equity Shares in the Issue, the Bank will disclose our name and the number of Equity Shares Allotted to us on the websites of National Stock Exchange of India Limited and BSE Limited (together referred to as the "**Stock Exchanges**"), and we consent to such disclosure. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations and other applicable laws. We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations. We undertake that we will submit all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the undersigned is duly authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue. We note that the Bank is entitled, in its absolute discretion, in consultation with the BRLMs (as defined hereunder), to accept or reject this Application Form without assigning any reason thereof. We hereby accept the Equity Shares that may be Allocated to us pursuant to the Confirmation of Allocation Note ("**CAN**") and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of this Application Form and the Bid Amount towards the Equity Shares that may be Allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for in the Issue has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to or on Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole and absolute discretion of the Bank, in consultation with Kotak Mahindra Capital Company Limited, SBI Capital Markets Limited, ICICI Securities Limited, Morgan Stanley India Company Private Limited, HSBC Securities and Capital Markets (India) Private Limited and Citigroup Global Markets India Private Limited ("**BRLMs**"); and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Bank is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount has been paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Bank to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

**By submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "Notice to Investors", "Representations by Investors", "Issue Procedure", "Selling Restrictions" and "Transfer Restrictions" sections of the PPD are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Bank and the BRLMs, each of which is entitled to rely on and is relying on these representations and warranties in consummating the Issue.**

**By submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "Risk Factors" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Bank, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the CAN and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our**

beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Bank in consultation with the BRLMs and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations i.e. entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, amongst the Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (8) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the SBI Act and other applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

We acknowledge that the Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. By submitting this Application Form and checking the applicable box above, we hereby represent that we are either (i) a U.S. QIB, or (ii) located outside the United States and purchasing the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

By submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of an Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

| BIDDER DETAILS (In Block Letters) |                                      |         |
|-----------------------------------|--------------------------------------|---------|
| NAME OF BIDDER*                   |                                      |         |
| NATIONALITY                       |                                      |         |
| REGISTERED ADDRESS                |                                      |         |
| CITY AND CODE                     |                                      |         |
| COUNTRY                           |                                      |         |
| PHONE NO.                         |                                      | FAX NO. |
| MOBILE NO.                        |                                      |         |
| EMAIL ID                          |                                      |         |
| FOR ELIGIBLE FPIs**               | SEBI FPI REGISTRATION NO.<br>_____   |         |
| FOR MF                            | SEBI MF REGISTRATION NO.<br>_____    |         |
| FOR AIFs***                       | SEBI AIF REGISTRATION NO.<br>_____   |         |
| FOR VCFs***                       | SEBI VCF REGISTRATION NO.<br>_____   |         |
| FOR SI-NBFC                       | RBI REGISTRATION DETAILS<br>_____    |         |
| FOR INSURANCE COMPANIES           | IRDAI REGISTRATION DETAILS.<br>_____ |         |
| FOR PENSION FUNDS                 | PFRDA REGISTRATION DETAILS:          | _____   |

\*Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Bank and the BRLMs.

\*\* In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.

\*\*\* Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

| NO. OF EQUITY SHARES BID FOR |            | PRICE PER EQUITY SHARE (RUPEES) |            |
|------------------------------|------------|---------------------------------|------------|
| (In Figures)                 | (In Words) | (In Figures)                    | (In Words) |
|                              |            |                                 |            |
| BID AMOUNT (RUPEES)          |            |                                 |            |
| (In Figures)                 |            | (In Words)                      |            |
|                              |            |                                 |            |

| DEPOSITORY ACCOUNT DETAILS                            |                                        |   |  |  |  |                                             |  |  |  |
|-------------------------------------------------------|----------------------------------------|---|--|--|--|---------------------------------------------|--|--|--|
| Depository Name (Please ✓)                            | National Securities Depository Limited |   |  |  |  | Central Depository Services (India) Limited |  |  |  |
| Depository Participant Name                           |                                        |   |  |  |  |                                             |  |  |  |
| DP – ID                                               | I                                      | N |  |  |  |                                             |  |  |  |
| Beneficiary Account Number                            |                                        |   |  |  |  |                                             |  |  |  |
| (16-digit beneficiary A/c. No. to be mentioned above) |                                        |   |  |  |  |                                             |  |  |  |

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Bid Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

| PAYMENT DETAILS                                          |  |
|----------------------------------------------------------|--|
| REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER            |  |
| By 3.00 p.m. (IST), July 21, 2025 (“Issue Closing Date”) |  |

| BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT THROUGH ELECTRONIC FUND TRANSFER |                                             |                                   |                                                                               |
|---------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------|-------------------------------------------------------------------------------|
| Name of the Account                                                             | Escrow Account State Bank of India QIP 2025 | Account Type                      | Escrow Account                                                                |
| Name of Bank                                                                    | State Bank of India                         | Address of the Branch of the Bank | 3rd Floor, Financial Institutions Branch, Mumbai Main Branch Building, Mumbai |
| Account No.                                                                     | 44267941844                                 | IFSC                              | SBIN0011777                                                                   |
| Phone No.                                                                       | +91-22-2271 9117/ 2271 9115/ 114/ 113/ 112  | E-Mail ID                         | nib.11777@sbi.co.in; sbi.11777@sbi.co.in                                      |
| Legal Entity Identifier Code of Bank                                            | 5493001JZ37UBBZF6L49                        |                                   |                                                                               |

The Bid Amount should be transferred pursuant to this Application Form only by way of electronic fund transfers, towards the Escrow Account. Payment of the entire Bid Amount should be made along with this Application Form on or before the closure of the Issue Period i.e., prior to or on the Bid/Issue Closing Date. All payments must be made in favor of **“Escrow Account State Bank of India QIP 2025”**. The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in this Application Form.

You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds, if any, shall be dependent on the accuracy of the bank details provided by you. The Bank and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank details.

| RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE) |  |                     |  |
|---------------------------------------------|--|---------------------|--|
| Bank Account Number                         |  | IFSC Code           |  |
| Bank Name                                   |  | Bank Branch Address |  |

| DETAILS OF CONTACT PERSON |  |         |  |
|---------------------------|--|---------|--|
| Name:                     |  |         |  |
| Address:                  |  |         |  |
| Tel. No:                  |  | Fax No: |  |
| Mobile No.                |  | Email:  |  |

| OTHER DETAILS                                                                     |  |
|-----------------------------------------------------------------------------------|--|
| PAN                                                                               |  |
| Date of Application                                                               |  |
| LEI                                                                               |  |
| Signature of Authorised Signatory (may be signed either physically or digitally)* |  |

| ENCLOSURES ATTACHED      |                                                              |
|--------------------------|--------------------------------------------------------------|
| <input type="checkbox"/> | Copy of PAN Card or PAN allotment letter**                   |
| <input type="checkbox"/> | FIRC                                                         |
| <input type="checkbox"/> | Copy of the SEBI registration certificate as a Mutual Fund   |
| <input type="checkbox"/> | Copy of the SEBI registration certificate as an Eligible FPI |
| <input type="checkbox"/> | Copy of the SEBI registration certificate as an AIF          |
| <input type="checkbox"/> | Copy of the SEBI registration certificate as a VCF           |
| <input type="checkbox"/> | Certified copy of certificate of registration issued by      |

|  |  |                                                                                                                                                                                                                                                                                                                                  |
|--|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  | the RBI as an SI-NBFC/ a scheduled commercial bank<br><input type="checkbox"/> Copy of the IRDA registration certificate<br><input type="checkbox"/> Intimation of being part of the same group<br><input type="checkbox"/> Certified true copy of the power of attorney<br><input type="checkbox"/> Other, please specify _____ |
|--|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

*\*A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.*

*\*\*Please note that the Bidder should not mention the GIR number or any other identification number instead of the PAN, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961, as the application is liable to be rejected on this ground.*

*Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD.*

*Note 2: This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Bank in consultation with the BRLMs.*

*Note 3: The duly filled Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in the PPD.*

*Note 4: The Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.*