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(1) QIBS (AS DEFINED BELOW) UNDER RULE 144A (AS DEFINED BELOW) OR
(2) ADDRESSEES OUTSIDE OF THE UNITED STATES**

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES

Important: You must read the following before continuing. The following applies to the Offering Circular following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE U.S. OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE TERMS AND CONDITIONS OF THE SECURITIES AND THE INFORMATION CONTAINED IN THE OFFERING CIRCULAR. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of the Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must be either (1) qualified institutional buyers (“QIBs”) (within the meaning of Rule 144A under the Securities Act (“Rule 144A”)) or (2) located outside of the U.S. By accepting the electronic mail and accessing this Offering Circular, you shall be deemed to have represented to us (1) that either (a) you and any customers you represent are QIBs or (b) the electronic mail address that you gave us and to which this electronic mail has been delivered is not located in the U.S. and (2) that you consent to delivery of the Offering Circular by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Offering Circular to any other person.

The materials relating to any offering of Notes under the Program to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that such offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Dealers (as defined in this Offering Circular) or any person who controls any or any director, officer, employee or agent of either of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from any of the Dealers.

YOU ARE RESPONSIBLE FOR PROTECTING AGAINST VIRUSES AND OTHER DESTRUCTIVE ITEMS. YOUR USE OF THIS E-MAIL IS AT YOUR OWN RISK AND IT IS YOUR RESPONSIBILITY TO TAKE PRECAUTIONS TO ENSURE THAT IT IS FREE FROM VIRUSES AND OTHER ITEMS OF A DESTRUCTIVE NATURE.

OFFERING CIRCULAR



STATE BANK OF INDIA

(Constituted under State Bank of India Act, 1955)

acting through its GIFT City Branch, Hong Kong Branch, London Branch, Sydney Branch and any other foreign branch

U.S.\$10,000,000,000 Medium Term Note Program

On November 25, 2004, State Bank of India (the “**Issuer**”, “**SBI**” or the “**Bank**”), acting through its London Branch, entered into a U.S.\$1,000,000,000 Medium Term Note Program (the “**Program**”, as amended, supplemented or restated) and prepared an Offering Circular dated November 25, 2004. On August 22, 2005, the size of the Program was increased from U.S.\$1,000,000,000 to U.S.\$2,000,000,000. On February 28, 2007, the size of the Program was further increased from U.S.\$2,000,000,000 to U.S.\$5,000,000,000. On December 24, 2010, the size of the Program was further increased from U.S.\$5,000,000,000 to U.S.\$10,000,000,000. This Offering Circular supersedes any previous Offering Circular describing the Program. Any Notes (as defined below) issued under the Program on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes issued before the date of this Offering Circular.

Under this Program, the Issuer, acting through its GIFT City Branch, Hong Kong Branch, London Branch, Sydney Branch or other foreign branch, as the case may be, may from time to time issue notes (the “**Notes**”), which expression shall include Senior Notes and Subordinated Notes (each as defined herein)) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes may be issued in bearer or registered form. The maximum aggregate nominal amount of all Notes from time to time outstanding under the Program will not exceed U.S.\$10,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein. Notes denominated in Australian dollars, issued in the Australian domestic capital market and ranking as senior obligations of the Issuer (the “**AMTNs**”) will be issued in registered certificated form, and will take the form of entries on a register established and maintained by a registrar in Australia and may be lodged with the clearing system operated by Austraclear Ltd. Each Tranche of AMTNs will be represented by a certificate without coupons (each an “**AMTN Certificate**”), which shall be issued by the Issuer in respect of each Tranche of AMTNs.

In relation to any Tranche (as defined under “**Terms and Conditions of the Notes**”) of Notes, the Issuer may act through its GIFT City Branch, Hong Kong Branch, London Branch, Sydney Branch or through any of its other foreign branches, in each case as indicated in the applicable Pricing Supplement (as defined below).

Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in, and quotation of any Notes that may be issued pursuant to the Program and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST (the “**Official List**”). The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies, the Program or such Notes. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set out in a pricing supplement (the “**Pricing Supplement**”) which, with respect to Notes to be listed on the SGX-ST, will be delivered to the SGX-ST on or before the date of listing of the Notes of such Tranche.

Application will be made to the Global Securities Market of the India International Exchange IFSC Limited (the “**India INX**”) for the Notes to be admitted to trading on the Global Securities Market of the India INX. **The India INX has not approved or verified the contents of the listing particulars.**

The Program provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes. Notes to be listed on the SGX-ST or on the Global Securities Market of the India INX will be accepted for clearance through Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”) and/or the Depositary Trust Company (the “**DTC**”).

The Issuer may agree with any Dealer and the Trustee (as defined herein) that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be listed on the SGX-ST or the Global Securities Market of the India INX) a supplementary Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Application will be made to the Global Securities Market of the India International Exchange IFSC Limited (the “**India INX**”) and the NSE IFSC Limited (the “**NSE IX**”) for the Notes to be admitted to trading on the Global Securities Market of the India INX and the NSE IX. **The India INX and the NSE IX have not approved or verified the contents of the listing particulars.**

The Program provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes. Notes to be listed on the SGX-ST, the Global Securities Market of the India INX and/or the NSE IX will be accepted for clearance through Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”) and/or the Depositary Trust Company (the “**DTC**”).

The Issuer may agree with any Dealer and the Trustee (as defined herein) that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be listed on the SGX-ST, the Global Securities Market of the India INX or NSE IX) a supplementary Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

The Issuer is registered in Australia as a foreign company. The Issuer has been granted authority to carry on banking business in Australia by the Australian Prudential Regulation Authority and is a foreign “authorized deposit-taking institution” (a “**foreign ADI**”) as that term is defined under the Banking Act 1959 of the Commonwealth of Australia (the “**Australian Banking Act**”) in the category of a “Branch of a Foreign Bank”. AMTNs issued by the Issuer are not deposits of the Issuer and are not covered by the depositor protection provisions of Division 2 of Part II of the Australian Banking Act. The Issuer’s indebtedness in respect of the AMTNs is affected by applicable laws which include (but are not limited to) section 11F of the Australian Banking Act and section 86 of the Reserve Bank Act 1959 of the Commonwealth of Australia (“**Reserve Bank Act**”). Section 11F of the Australian Banking Act provides that, in the event that a foreign ADI, such as the Issuer, (whether in or outside Australia) suspends payment or becomes unable to meet its obligations, the assets of the foreign ADI in Australia are to be available to meet its liabilities in Australia in priority to all other liabilities of the foreign ADI. Section 86 of the Reserve Bank Act provides that, notwithstanding anything contained in any law relating to the winding-up of companies, but subject to subsection 13A(3) of the Australian Banking Act (which does not apply to the Issuer as a foreign ADI), debts due to the Reserve Bank of Australia by an authorized deposit-taking institution (including a foreign ADI) (a “**ADI**”) shall, in the winding-up of the ADI, have priority over all other debts of the ADI. The Issuer does not make any representation as to whether the AMTNs would constitute liabilities in Australia under such statutory provisions. The AMTNs are not the obligations of any government and, in particular, are not guaranteed by the Commonwealth of Australia.

See “Investment Considerations” for a discussion of certain factors to be considered in connection with an investment in the Notes.

Each Tranche of Notes of each series (as defined in “**Form of the Notes**”) to be issued in bearer form (“**Bearer Notes**”) will initially be represented by either a temporary bearer global note (a “**Temporary Bearer Global Note**”) or a permanent bearer global note (a “**Permanent Bearer Global Note**”) and, together with a Temporary Bearer Global Note, (the “**Bearer Global Notes**”), and each a “**Bearer Global Note**”) as indicated in the applicable Pricing Supplement, which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depository for Euroclear and Clearstream.

On and after the date which, for each Tranche in respect of which a Temporary Bearer Global Note is issued, is 40 days after the Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) definitive Bearer Notes of the same Series.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable for definitive Bearer Notes in certain limited circumstances. Notes of each series (other than AMTNs) to be issued in registered form (the “**Registered Notes**”) comprising a “**Registered Series**”) sold in an “offshore transaction” within the meaning of Regulation S (“**Regulation S**”) under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), which will be sold outside the United States (and in the case of Notes being offered or sold in reliance on Category 2 of Regulation S, only to non-U.S. persons (as defined in Regulation S)), will initially be represented by a global note in registered form, without receipts or coupons, (a “**Regulation S Global Note**”) deposited with a common depository for Euroclear and Clearstream, and registered in the name of a nominee of such common depository. Prior to expiry of the distribution compliance period (as defined in Regulation S) (if any) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in the Terms and Conditions of the Notes and may not be held otherwise than through Euroclear or Clearstream and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States in private transactions (i) to QIBs (as defined in “**Form of the Notes**”) or (ii) to Institutional Accredited Investors (as defined in “**Form of the Notes**”) who agree to purchase the Notes for their own account and not with a view to the distribution thereof. The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form, without receipts or interest coupons (a “**Rule 144A Global Note**”) and, together with a Regulation S Global Note, the “**Registered Global Notes**”), which will be deposited with a custodian for, and registered in the name of DTC or a nominee of DTC.

This Offering Circular has not been and will not be registered, produced or made available as an offer document (whether as a prospectus in respect of a public offer or an information memorandum or private placement offer letter or other offering material in respect of any private placement under the Companies Act, 2013, as amended from time to time or any other applicable Indian securities laws) with the Registrar of Companies of India or the Securities and Exchange Board of India or any other statutory or regulatory body of like nature in India, save and except for any information from any part of this Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian laws, including, but not limited to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, and under the listing agreement with any Indian stock exchange (s) pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, or pursuant to the directives of any statutory, regulatory and adjudicatory body in India.

This Offering Circular has not been and will not be reviewed or approved by any regulatory authority in India, including, but not limited to, the Reserve Bank of India, Securities and Exchange Board of India, any Registrar of Companies or any stock exchange in India. This Offering Circular and the Notes are not and should not be construed as an advertisement, invitation, offer or sale of any securities to the public or any person resident in India. The Notes have not been and will not be, offered or sold to any person resident in India. If you purchase any of the Notes, you will be deemed to have acknowledged, represented and agreed that you are eligible to purchase the Notes under applicable laws and regulations and that you are not prohibited under any applicable law or regulation from acquiring, owning or selling the Notes.

In accordance with the provisions of applicable Indian regulations, only investors that are residents of Financial Action Task Force (“**FATF**”) or International Organization of Securities Commission’s (“**IOSCO**”) compliant jurisdictions are eligible to purchase the Notes (defined below) issued by the Issuer. Indian banks are permitted to participate, *inter alia*, as arrangers, market makers or traders in Rupee Denominated Notes issued overseas, subject to applicable prudential norms as per RBI’s Circular No. RBI/2018-19/48 A.P. (DIR Series) Circular No.9 dated September 19, 2018 read with RBI’s Circular No. RBI/2018-19/109 A.P. (DIR Series) Circular No. 17 dated January 16, 2019. However, underwriting by foreign branches/subsidiaries of Indian banks for issuances by Indian banks will not be allowed. This Offering Circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular you shall be deemed to have represented to us that you are a resident of an FATF or an IOSCO compliant jurisdiction.

For Indian regulatory purposes, Rupee denominated Notes constitute “Rupee denominated bonds” under the terms of the RBI Master Direction External Commercial Borrowings, Trade Credits and Structured Obligations dated March 23, 2019, as amended and updated from time to time, and any other applicable regulations, notifications, circulars or guidelines issued by the authorities in India, including the Reserve

The date of this Offering Circular is July 28, 2025.

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Bank of India (the “**RBI**”) in respect of Rupee denominated Notes. If any Rupee denominated Notes are purchased by investors, such investors will be deemed to have acknowledged, represented and agreed that they are eligible to purchase Rupee denominated Notes under applicable laws and regulations and that they are residents of an FATF or IOSCO compliant jurisdiction and are not an overseas branch or subsidiary of an Indian bank or otherwise prohibited under any applicable law or regulation from acquiring, owning or selling the Rupee denominated Notes. The Rupee denominated Notes may not be offered or sold directly or indirectly in India or to, or for the account or benefit of, any resident of India.

In addition, holders and beneficial owners shall be responsible for compliance with the restrictions on the ownership of the Rupee denominated Notes imposed from time to time by applicable laws or by any regulatory authority or otherwise. In this context, holders and beneficial owners of Rupee denominated Notes shall be deemed to have acknowledged, represented and agreed that such holders and beneficial owners are eligible to purchase the Rupee denominated Notes under applicable laws and regulations and are not prohibited under any applicable law or regulation from acquiring, owning or selling the Rupee denominated Notes. Potential investors should seek independent advice and verify that they are residents of an FATF or an IOSCO compliant jurisdiction prior to any purchase of Rupee denominated Notes.

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes may include Bearer Notes that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or, in the case of Bearer Notes, delivered within the United States or, in the case of Notes offered or sold in reliance on Category 2 of Regulation S, to U.S. persons (as defined in Regulation S). See “Form of the Notes” for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see “*Subscription and Sale*”. AMTNs will be sold in “Offshore transactions” within the meaning of Regulation S.

The Additional Tier 1 Notes are not intended to be sold and should not be sold to “retail clients” (as defined in Directive 2014/65/EU) in the European Economic Area. In addition to the above, pursuant to the United Kingdom Financial Conduct Authority Conduct of Business Sourcebook, the Additional Tier 1 Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients (as defined in COBS 3.4) in the UK. Potential investors should read the whole of this document, in particular the “*Risks relating to the Subordinated Notes*” and “*Restrictions on Marketing and Sales to Retail Investors*”.

The Bank has been rated BBB- Positive by S&P Global Ratings, Baa3 Stable by Moody’s Investors Service Limited and BBB-/Stable by Fitch Ratings. Notes may be rated or unrated by any of these rating agencies. Where a Tranche of Notes is rated, such rating will be disclosed in the Pricing Supplement. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Citi

Arrangers and Dealers

HSBC

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything that would make the statements therein, in light of the circumstances under which they were made, misleading. The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains or incorporates all information which is material in the context of the Notes, that the information contained or incorporated in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held and that there are no other facts the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

No person is or has been authorized by the Issuer to give any information or to make any representation other than those contained in this Offering Circular or any other information supplied in connection with the Program or the Notes and, if given or made by any other person, such information or representations must not be relied upon as having been authorized by the Issuer, any of the Arrangers or the Dealers or the Trustee (each as defined herein).

To the fullest extent permitted by law, none of the Arrangers, the Dealers or the Trustee accept any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by an Arranger, a Dealer or the Trustee or on any of their behalf in connection with the Issuer or the issue and offering of the Notes. Each Arranger, each Dealer and the Trustee accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

Neither the Dealers nor the Trustee has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Arrangers or the Dealers, the Trustee or any of them as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Program.

Neither this Offering Circular nor any other information supplied in connection with the Program or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, any of the Arrangers or the Dealers or the Trustee that any recipient of this Offering Circular or any other information supplied in connection with the Program or any Notes should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular nor any other information supplied in connection with the Program or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, any of the Arrangers or the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Program is correct as of any time subsequent to the date indicated in the document containing the same. The Arrangers, the Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Program or to advise any investor in Notes issued under the Program of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

IMPORTANT — EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be

offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT — UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”). Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance / target market — The Pricing Supplement in respect of any Notes may include a legend entitled “MiFID II product governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance / target market – The Pricing Supplement in respect of any Notes may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the Financial Conduct Authority (the “**FCA**”) Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but

otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes 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).

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Arrangers, the Dealers and the Trustee do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, any of the Arrangers or the Dealers or the Trustee which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this.

Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom and The Netherlands), India, Singapore, Australia, Hong Kong, United Arab Emirates, (the “UAE”), Qatar and Bahrain, see “Subscription and Sale” and “Transfer and Marketing Restrictions”.

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

None of the Issuer, the Arrangers, the Dealers and the Trustee makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

There are restrictions on the offer and sale of the Notes in the United Kingdom. All applicable provisions of the FSMA with respect to anything done by any person in relation to the Notes in, from or otherwise involving the United Kingdom must be complied with. See “Subscription and Sale” and “Transfer and Marketing Restrictions”.

Under present Australian law, interest and other amounts paid on the Notes issued out of a branch or other permanent establishment of the Bank in Australia by the Issuer will not be subject to Australian interest

withholding tax if the Notes are issued in accordance with certain prescribed conditions set out in section 128F of the *Income Tax Assessment Act 1936* (Australia). One of these conditions is that the Issuer must not know, or have reasonable grounds to suspect, that a Note, or an interest in a Note, was being, or would later be, acquired directly or indirectly by an Offshore Associate of the Issuer, other than in the capacity of a dealer, manager or underwriter in relation to the placement of the relevant Notes, or a clearing house, custodian, funds manager or responsible entity of a registered scheme. Accordingly, the Notes must not be acquired by an Offshore Associate of the Issuer. For these purposes, an Offshore Associate of the Issuer is defined broadly and may include, but is not limited to, any entity that is directly or indirectly owned or controlled by the Issuer. Any investor who believes that it may be affiliated with or related to any of the above-mentioned entities or who otherwise believes it may be an Offshore Associate of the Issuer, should make appropriate enquiries before investing in any Notes. For further detail, please refer to “*Terms and Conditions of the Notes — Condition 10*”.

This document is for distribution only to persons who (i) are outside the United Kingdom, (ii) have professional experience in matters relating to investments, (iii) are persons falling within Article 49(2)(a) to (d) of the FSMA (Financial Promotion) Order 2005 (as amended), or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**relevant persons**”). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will not be engaged in only with relevant persons.

This Offering Circular has not been and will not be reviewed or approved by any regulatory authority in India, including, but not limited to, the RBI, Securities and Exchange Board of India, any Registrar of Companies or any stock exchange in India. This Offering Circular and the Notes are not and should not be construed as an advertisement, invitation, offer or sale of any securities to the public or any person resident in India. The Notes have not been and will not be, offered or sold to any person resident in India. If you purchase any of the Notes, you will be deemed to have acknowledged, represented and agreed that you are eligible to purchase the Notes under applicable laws and regulations and that you are not prohibited under any applicable law or regulation from acquiring, owning or selling the Notes.

In accordance with applicable provisions of Indian regulations, only investors from jurisdictions that are FATF/IOSCO compliant are eligible to purchase or subscribe to Rupee denominated Notes. Indian banks are permitted to participate, inter alia, as arrangers, market makers or traders in Rupee Denominated Notes issued overseas, subject to applicable prudential norms as per RBI’s Circular No. RBI/2018-19/48 A.P. (DIR Series) Circular No. 9 dated September 19, 2018, read with the ECB Guidelines (as defined below). However, underwriting by foreign branches/subsidiaries of Indian banks for issuances by Indian banks will not be allowed. By purchasing Rupee denominated Notes, each investor shall be deemed to have acknowledged, represented and agreed that such investor is eligible to purchase Rupee denominated Notes under applicable laws and regulations and is a resident of an FATF or IOSCO compliant jurisdiction and is not otherwise prohibited under any applicable law or regulation from acquiring, owning or selling Rupee denominated Notes and that so long as it holds any Rupee denominated Notes, it will continue to be a resident of an FATF or IOSCO compliant jurisdiction. Potential investors should seek independent advice and verify compliance with the requirements under the ECB Guidelines prior to any purchase of Rupee denominated Notes.

This Offering Circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular you shall be deemed to have represented to us that you are a resident of an FATF or an IOSCO compliant jurisdiction.

In addition, holders and beneficial owners shall be responsible for compliance with the restrictions on the ownership of the Rupee denominated Notes imposed from time to time by applicable laws or by any

regulatory authority or otherwise. In this context, holders and beneficial owners of Rupee denominated Notes shall be deemed to have acknowledged, represented and agreed that such holders and beneficial owners are eligible to purchase the Rupee denominated Notes under applicable laws and regulations and are not prohibited under any applicable law or regulation from acquiring, owning or selling the Rupee denominated Notes. Potential investors should seek independent advice and verify that they are residents of an FATF or an IOSCO compliant jurisdiction prior to any purchase of Rupee denominated Notes.

The holders and beneficial owners of Rupee Denominated Notes shall be deemed to confirm that for so long as they hold any Rupee Denominated Notes, they will meet the FATF and IOSCO Requirements in all respects.

In this Offering Circular, “**ECB Guidelines**” means (i) the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, dated December 17, 2018; (ii) the Master Direction on External Commercial Borrowings, Trade Credits and Structured Obligations dated March 23, 2019; (iii) the Master Direction on Reporting under Foreign Exchange Management Act, 1999 (“**FEMA**”), dated January 1, 2016, each as amended, supplemented, modified, revised, and updated from time to time, and any other applicable regulations, notifications, circulars or guidelines issued in respect of external commercial borrowings (“**ECBs**”), as construed in accordance with the FEMA, as amended from time to time.

In connection with the offering of any series of Notes, each Dealer is acting or will act for the Issuer in connection with the offering and no-one else and will not be responsible to anyone other than the Issuer for providing the protections afforded to clients of that Dealer nor for providing advice in relation to any such offering.

For a description of other restrictions, see “*Subscription and Sale*”.

U.S. INFORMATION

This Offering Circular may be submitted on a confidential basis in the United States to a limited number of QIBs or Institutional Accredited Investors (“IAIs”) (each as defined under “*Form of the Notes*”) for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorized. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Subject to certain exceptions, the Notes may not be offered, sold or, in the case of Bearer Notes, delivered within the United States or, in the case of Notes offered or sold in reliance on Category 2 of Regulation S, to, or for the account or benefit of, U.S. persons (as defined in Regulation S). Registered Notes may be offered or sold within the United States only to QIBs or to Institutional Accredited Investors, in either case in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act (“Rule 144A**”).**

Purchasers of Definitive IAI Registered Notes will be required to execute and deliver an IAI Investment Letter (as defined under “*Terms and Conditions of the Notes*”). Each purchaser or holder of Definitive IAI Registered Notes, Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together “Legended Notes**”) will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in “*Subscription and Sale*” and “*Transfer and Marketing Restrictions*”. Unless otherwise stated, terms used in this paragraph have the meanings given to them in “*Form of the Notes*”.**

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the Treasury regulations promulgated thereunder.

The Notes have not been and will not be registered under the Securities Act or any U.S. State securities laws and may not be offered or sold in the United States or (in the case of Notes being offered or sold in reliance on Category 2 of Regulation S) to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. See “*Form of the Notes*” for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see “*Subscription and Sale*” and “*Transfer and Marketing Restrictions*”.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are “restricted securities” within the meaning of the Securities Act, the Issuer will furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the Issuer is neither a reporting company under section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a statutory banking corporation under the laws of the Republic of India established and constituted under the State Bank of India Act, 1955, as amended from time to time. All of the officers and directors named herein reside in India and all or a substantial portion of the assets of the Issuer and of such officers and directors are located and situated in India. As a result, it may not be possible for investors to effect service of process outside the Republic of India upon the Issuer or such persons, or to enforce judgments against them obtained in courts outside the Republic of India predicated upon civil liabilities of the Issuer or such directors and officers under laws other than Indian law, including any judgment predicated upon United States federal securities laws. There is doubt as to the enforceability in the Republic of India in original actions or in actions for enforcement of judgments of United States courts of civil liabilities predicated solely upon the federal securities laws of the United States.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. The Issuer understands that in India, the statutory basis for recognition of foreign judgments is found in Section 13 of the Indian Code of Civil Procedure, 1908 (“Civil Code”). Under Indian law, a foreign judgment is conclusive as to any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where the judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the laws of India in cases where such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of the 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 same nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties. While the United Kingdom, Singapore, Hong Kong, and United Arab Emirates, amongst others, each has been declared by the Government of India as a reciprocating territory, the United States has not been so declared. Accordingly, a judgment of a court in the United States may be enforced only by a suit upon the judgment, not by proceedings in execution whereas, a judgment of a superior court in the United Kingdom may be enforced by proceedings in execution and a judgment not of a superior court, by a fresh suit resulting in a judgment or order. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered. Also, a party may file suit in India against the Bank, its directors or its executive officers as an original action predicated upon the provisions of the federal securities laws in the United States. Any judgment in a foreign currency would be converted into Indian Rupees at the rate of exchange prevalent on the date of the judgment and not as of the date of the payment.

For additional information see *“Investment Considerations — Risks Relating to India — Investors in the Notes may not be able to enforce a judgment of a foreign court against the Bank, its directors or executive officers”*.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Issuer prepares its financial statements in Rupees in accordance with generally accepted accounting principles in the Republic of India (“Indian GAAP”) which differ in certain important respects from generally accepted accounting principles in the United States (“U.S. GAAP”). For a discussion of the principal differences between Indian GAAP and U.S. GAAP as they relate to the Issuer, see *“Summary of Significant Differences Between Indian GAAP and U.S. GAAP”*.

CERTAIN DEFINITIONS

In this Offering Circular, references to the “**Issuer**” or the “**Bank**” are to State Bank of India on an unconsolidated basis. References to the “**Group**” are to the State Bank of India and its consolidated subsidiaries, Associate Banks (as defined herein) and other consolidated entities. References to specific data applicable to particular subsidiaries, Associate Banks or other consolidated entities are made by reference to the name of that particular entity. References to “**fiscal year**” or “**fiscal**” are to the year ending or ended on March 31.

Industry and market share data in this Offering Circular are derived from data of the RBI or the Director General of Commercial Intelligence and Statistics and calculated by the Bank where applicable. Indian economic data in this Offering Circular is derived from data of the RBI and the economic surveys of the Government.

All references in this document to “**U.S. dollars**”, “**U.S.\$**” and “**\$**” refer to United States dollars and to “**Rupee**”, “**Rupees**”, “**INR**” and “**Rs.**” refer to Indian Rupees. In addition, references to “**GBP**”, “**Sterling**” and “**£**” refer to pounds sterling, all references to “**euro**”, “**EUR**”, and “**€**” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the

European Community, as amended, and all references to “**Australian dollars**” and “**A\$**” refer to the lawful currency of Australia. All references in this document to the “**Government**” and “**Central Government**” refer to the Government of India. All references in this document to “**%**” refer to per cent.

References to “**lakhs**” and “**crores**” in the Bank’s consolidated and unconsolidated financial statements are to the following:

One lakh.....	100,000 (one hundred thousand)
Ten lakhs.....	1,000,000 (one million)
One crore.....	10,000,000 (ten million)
Ten crores.....	100,000,000 (one hundred million)
One hundred crores.....	1,000,000,000 (one thousand million or one billion)

FORWARD-LOOKING STATEMENTS

The Issuer has included statements in this Offering Circular which contain words or phrases such as “will”, “would”, “aimed”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will achieve”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “seeking to”, “target”, “propose to”, “future”, “objective”, “goal”, “project”, “should”, “can”, “could”, “may” and similar expressions or variations of such expressions, that are “forward-looking statements”. Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with the expectations of the Issuer with respect to, but not limited to, its ability to successfully implement its strategy, its ability to integrate future mergers or acquisitions into its operations, future levels of non-performing assets and restructured assets, its growth and expansion, the adequacy of its allowance for credit and investment losses, technological changes, investment income, its ability to market new products, cash flow projections, the outcome of any legal or regulatory proceedings it is or becomes a party to, the future impact of new accounting standards, its ability to implement its dividend policy, the impact of Indian banking regulations on it, which includes the assets and liabilities of the Issuer, its ability to roll over its short-term funding sources, its exposure to market risks and the market acceptance of and demand for internet banking services.

In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this Offering Circular include, but are not limited to the impact of outbreak of contagious diseases (including the prolonged outbreak of COVID-19), general economic and political conditions in India, South Asia, and the other countries which have an impact on the Issuer’s business activities or investments, political or financial instability in India or any other country caused by any factor including any terrorist attacks in India, the United States or elsewhere or any other acts of terrorism worldwide, any anti-terrorist or other attacks by the United States, a United States-led coalition or any other country, the monetary and interest rate policies of India, political or financial instability in India or any other country caused by tensions between India and Pakistan related to the Kashmir region or military armament or social unrest in any part of India, inflation, deflation, unanticipated turbulence in interest rates, changes in the value of the Rupee, foreign exchange rate, equity prices or other rates or prices, the performance of the financial markets and level of Internet penetration in India and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environment in India and regional or general changes in asset valuations. For a further discussion on the factors that could cause actual results to differ, see the discussion under “*Investment Considerations*” contained in this Offering Circular.

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IMPORTANT NOTICES

Stabilization

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in the applicable Pricing Supplement may over-allot or effect transactions with a view to supporting the market price of the Notes of the Series (as defined below) of which such Tranche forms part at a level higher than that which might otherwise prevail for a limited period after the issue date of the relevant Tranche of Notes. However, stabilization may not necessarily occur. Any stabilizing, if commenced, may cease at any time, and must be brought to an end after a limited period. Any stabilization action or over-allotment shall be conducted by the relevant Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules. Any such stabilization action may only be conducted outside Australia and/or through a market operated outside Australia.

Agreements and acknowledgments of investors, including holders and beneficial owners

In respect of any Subordinated Notes issued under this Program, by its acquisition of such Subordinated Notes, each holder and beneficial owner acknowledges and agrees *inter alia* that upon the occurrence of a PONV Trigger Event or a CET1 Trigger Event (in the case of Additional Tier 1 Notes only), all or some of the rights of holders of Subordinated Notes and the Receipts relating to them shall be subject to Write-Down (as defined in the Terms and Conditions of the Notes) and the right to receive interest on any portion of nominal amount Written-Down will cease and all interest amounts that were not due and payable prior to the Write-Down shall be cancelled. In addition, in respect of Additional Tier 1 Notes issued under this Program, (1) interest is payable solely at the Bank's discretion, and no amount of interest shall become due and payable to the extent that it has been cancelled by the Bank at its sole discretion and (2) a cancellation of interest (in whole or in part) in accordance with the terms and conditions of such Additional Tier 1 Notes shall not constitute a default in payment or otherwise under the terms thereof. Any interest cancelled (in whole or in part) in the circumstances described herein shall not be due and shall not accumulate or be payable at any time thereafter, and holders and beneficial owners shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation. See "*Investment Considerations — Risks Relating to the Subordinated Notes*".

Restrictions on Marketing and Sales to Retail Investors

Any Additional Tier 1 Notes issued under this Program and discussed in this Offering Circular are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Additional Tier 1 Notes to retail investors.

In the United Kingdom (the "UK"), the FCA Conduct of Business Sourcebook (the "COBS") requires, in summary, that Additional Tier 1 Notes should not be offered or sold to retail clients (as defined in COBS 3.4 and each a retail client) in the UK. The Dealers are required to comply with the COBS. By purchasing, or making or accepting an offer to purchase, any Additional Tier 1 Notes (or a beneficial interest in such Additional Tier 1 Notes) from the Bank and/or the Dealers, each prospective investor represents, warrants, agrees with and undertakes to the Bank and each of the Dealers that:

1. it is not a retail client in the UK;
2. it will not sell or offer the Additional Tier 1 Notes (or any beneficial interest therein) to retail clients in the UK or communicate (including the distribution of the Base Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Additional Tier 1 Notes

(or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK.

In selling or offering the Additional Tier 1 Notes or making or approving communications relating to the Additional Tier 1 Notes you may not rely on the limited exemptions set out in COBS.

The obligations above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the UK) relating to the promotion, offering, distribution and/or sale of the Additional Tier 1 Notes (or any beneficial interests therein), whether or not specifically mentioned in this Offering Circular, including (without limitation) any requirements under MiFID II or the UK FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Additional Tier 1 Notes (or any beneficial interests therein) for investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Additional Tier 1 Notes (or any beneficial interests therein) from the Bank and/or the Dealers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

Important Notice to Prospective Investors

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to this Program (each such offering a “**CMI Offering**”), including certain Dealers, may be “capital market intermediaries” (“**CMIs**”) subject to Paragraph 21 of the SFC Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “**SFC Code**”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as “overall coordinators” (together, the “**OCs**”) for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (the “**Association**”) with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should

indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50% interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Offering Circular:

- (a) the most recently published audited consolidated and unconsolidated annual financial statements and, if published later, the most recently published audited or reviewed, as the case may be, interim consolidated and unconsolidated financial results (if any) of the Issuer, (see “*General Information*” for a description of the financial statements currently published by the Issuer); and
- (b) all supplements or amendments to this Offering Circular circulated by the Issuer from time to time.

Any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular. Such audited consolidated financial statements of the Issuer which are deemed to be incorporated by reference in this Offering Circular may also be obtained without charge at the SGX-ST’s website at <https://www.sgx.com>.

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its office set out at the end of this Offering Circular. In addition, such documents will be available free of charge from the principal office of Citibank, N.A., London Branch (the “**Principal Paying Agent**”) for the Notes listed on the SGX-ST, the Global Securities Market of the India INX or NSE IX.

If the terms of the Program are modified or amended in a manner which would make this Offering Circular, as so modified or amended, inaccurate or misleading, to an extent which is material in the context of the Program, a new offering circular will be prepared.

GENERAL DESCRIPTION OF THE PROGRAM

Under the Program, the Issuer may from time to time issue Notes denominated in any currency, subject as set out herein. A summary of the terms and conditions of the Program and the Notes appears below. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, or, in respect of the AMTNs, entered in the A\$ Register and, in each case, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes, or, in respect of the AMTNs, entered in the A\$ Register, as more fully described under “*Form of the Notes*”.

This Offering Circular and any supplement will only be valid for listing Notes on the SGX-ST, the Global Securities Market of the India INX and the NSE IX in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Program, does not exceed U.S.\$10,000,000,000 or its equivalent in other currencies. For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Program from time to time:

- (a) the U.S. dollar equivalent of Notes denominated in another Specified Currency (as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under “*Form of the Notes*”) shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the U.S. dollar against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation;
- (b) the U.S. dollar equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under “*Form of the Notes*”) shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and
- (c) the U.S. dollar equivalent of Zero Coupon Notes (as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under “*Form of the Notes*”) and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue.

All references in this Offering Circular to “**nominal amount**” will, in respect of Subordinated Notes, refer to Outstanding Nominal Amount or Issued Nominal Amount, as relevant and unless otherwise specified.

SUMMARY OF THE PROGRAM

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in “*Form of the Notes*” and “*Terms and Conditions of the Notes*” shall have the same meanings in this summary.

Issuer:	State Bank of India, acting through its GIFT City Branch, Hong Kong Branch, London Branch, Sydney Branch or any of its other foreign branches (as indicated in the applicable Pricing Supplement).
Legal Entity Identifier:	5493001JZ37UBBZF6L49
Description:	Medium Term Note Program.
Arrangers:	Citigroup Global Markets Limited and The Hongkong and Shanghai Banking Corporation Limited
Dealers:	Citigroup Global Markets Limited, The Hongkong and Shanghai Banking Corporation Limited and any other Dealers appointed in accordance with the Program Agreement (as defined under “ <i>Subscription and Sale</i> ”).
Certain Restrictions:	Each issue of Notes in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale</i> ”) including the following restrictions applicable at the date of this Offering Circular.
Trustee:	Citicorp International Limited
Principal Paying Agent:	Citibank, N.A., London Branch (in respect of Notes other than AMTNs)
Registrar:	Citicorp International Limited (in respect of Notes other than AMTNs)
Program Size:	Up to U.S.\$10,000,000,000 (or its equivalent in other currencies calculated as described under “ <i>General Description of the Program</i> ”) in aggregate nominal amount of Notes outstanding at any time. The Issuer may increase the amount of the Program in accordance with the terms of the Program Agreement.
Investment Considerations:	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Program. These are set out under “ <i>Investment Considerations</i> ”. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Program. These are set out under “ <i>Investment Considerations</i> ” and include certain risks relating to the structure of particular Series of Notes and certain market risks.

Distribution:.....	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:.....	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
Redenomination:.....	The applicable Pricing Supplement may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 5.
Maturities:	Such maturities as may be agreed between the Issuer and the relevant Dealer and indicated in the applicable Pricing Supplement, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid or (in the case of Notes other than Subordinated Notes) a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:.....	The Notes may be issued in bearer or registered form as described in “ <i>Form of the Notes</i> ” other than AMTNs. Registered Notes will not be exchangeable for Bearer Notes and vice versa. AMTNs will be issued in registered certificated form and will take the form of entries on a register established and maintained by a registrar in Australia and may be lodged with the clearing system operated by Austraclear (the “ Austraclear System ”). Each Tranche of AMTNs will be represented by an AMTN Certificate. AMTNs lodged with the Austraclear System will be registered in the name of Austraclear.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions or 2021 ISDA Interest Rate Derivatives Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.
Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:	Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.
Partly Paid Notes:	The Issuer may issue Notes in respect of which the issue price is paid in separate installments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Other Notes:	The Issuer may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.
Redemption:	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (if any) or that such Notes will be redeemable at the option of the Issuer (in the case of Subordinated Notes, only upon the expiry of five years from the Issue Date and subject to the Conditions for Redemption as set forth in Condition 8.12) and/or (except in the case of Subordinated Notes) the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as set forth in “ <i>Terms and Conditions of the Notes</i> ” as may be agreed between the Issuer and the relevant Dealer. Notes may also be redeemed prior to their stated maturity (i) in specified installments, if applicable, (ii) for taxation reasons, (iii) in the case of Subordinated Notes, for certain regulatory reasons or (iv) following an Event of Default (as defined in Condition 12) in accordance with Condition 12. The Subordinated Notes shall not be redeemed at the initiative of Noteholders or without the consent of the RBI.

Denomination of Notes:.....

The applicable Pricing Supplement may provide that Notes may be redeemable in separate installments in such amounts and on such dates as are indicated in the applicable Pricing Supplement.

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

Notes in registered form sold pursuant to Rule 144A shall be issued in denominations of U.S.\$200,000 (or its equivalent in any other currency) and higher integral multiples of U.S.\$1,000 (or its equivalent as aforesaid) or the higher denomination or denominations specified in the applicable Pricing Supplement. Registered Notes sold in the United States to institutional accredited investors pursuant to section 4(a)(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act will be in definitive form (“**Definitive IAI Registered Notes**”) and shall be issued in minimum denominations of U.S.\$500,000 or its equivalent in any other currency) and higher integral multiples of U.S.\$1,000 (or its equivalent as aforesaid) or the higher denomination or denominations specified in the applicable Pricing Supplement.

Notes issued in, or into, Australia may be issued in such denominations as may be agreed save that:

- (i) the aggregate consideration payable to the Issuer by each offeree is at least A\$500,000 (or its equivalent in any other currency and, in either case, disregarding moneys lent by the Issuer or its associates) and the issue results from an offer or invitation for those Notes which otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act 2001 of the Commonwealth of Australia; and
- (ii) the issue complies with all other applicable laws.

Taxation:

All payments of principal and interest in respect of the Notes, Receipts and Coupons will be made without withholding or deduction for or on account of taxes imposed by India or any Specified Country (as defined in Condition 8), subject as provided in Condition 10. In such event, the Issuer will, save in certain limited circumstances provided in Condition 10, be required to pay additional amounts to cover the amounts so deducted or withheld.

Without prejudice to the Issuer’s obligation to pay additional amounts as described above, all payments in respect of the Notes will be made subject to any withholding or deduction required

	pursuant to fiscal and other laws or pursuant to FATCA, as provided in Condition 7.8.
Negative Pledge:.....	The terms of the Notes (other than Subordinated Notes) will contain a negative pledge provision as further described in Condition 4.
Cross Default:.....	The terms of the Notes (other than Subordinated Notes) will contain a cross default provision as further described in Condition 12.
Status of the Senior Notes:	The Senior Notes will constitute direct, unconditional, unsubordinated and, subject to the provisions of Condition 4, unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsubordinated and unsecured obligations of the Issuer, from time to time outstanding.
Status, Rights of Enforcement and other Terms of the Subordinated Notes:	Subordinated Notes will be Additional Tier 1 Notes or Tier 2 Notes, as indicated in the applicable Pricing Supplement. The status of the Tier 2 Notes and the Additional Tier 1 Notes are set out in Conditions 3.2 and Condition 3.3, respectively. The rights of enforcement relating to Subordinated Notes are set out in Condition 12.2. Subordinated Notes will not have the benefit of a negative pledge or a cross default provision.
Limited Rights of Enforcement in respect of Subordinated Notes:	If any order of the Government of India is made for the liquidation or winding-up (as determined pursuant to the State Bank of India Act, 1955, as amended (the “SBI Act”)) of the Issuer, save for the purposes of reorganization on terms previously approved by an Extraordinary Resolution of the Noteholders, the Trustee may, and if so requested in writing by the holders of at least one-fifth in Outstanding Nominal Amount of the Subordinated Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject to being indemnified and/or secured to its satisfaction) give notice to the Issuer that the Subordinated Notes are, and they shall, subject to the prior approval of the RBI having been obtained, thereupon immediately become, due or repayable at the amount provided in, or calculated in accordance with, Condition 8.6. <i>Pursuant to section 45 of the SBI Act, Indian statutory provisions relating to winding up of companies do not apply to the Issuer, and it may only be placed in liquidation by order of the Government of India in such manner as it may direct.</i> The Trustee may only accelerate the Subordinated Notes in the circumstances set out in Condition 12.2. Neither the Terms and Conditions of the Subordinated Notes nor the Trust Deed will contain any provision whereby the Subordinated Notes will become due and payable upon a default in the payment of principal of or interest on the

Additional Tier 1 Notes — Cancellation of Interest:.....	Subordinated Notes or on the non-performance of any covenant of the Issuer or upon the happening of any event other than the events set forth in Condition 12.2; principally, the winding up or liquidation of the Issuer. The Issuer may, at its full discretion and as it deems fit, elect at any time to cancel (in whole or in part) interest otherwise scheduled to be paid in respect of a Series of Additional Tier 1 Notes. Further, the Issuer will be required to cancel (in whole or, as the case may be, in part) the payment of any interest scheduled to be paid on an Interest Payment Date to the extent that such payment of interest is not permitted to be paid under the RBI Guidelines. Interest on the Additional Tier 1 Notes will be non-cumulative and any cancellation of interest on Additional Tier 1 Notes in accordance with Condition 6.7 will not constitute an event of default in respect of the Additional Tier 1 Notes. In the event of any cancellation of interest on Additional Tier 1 Notes, the Issuer will face certain restrictions on its ability to make payments in respect of securities ranking junior to, or <i>pari passu</i> with, such Additional Tier 1 Notes, as set out in Condition 6.7(d). See Condition 6.7 for further details.
Subordinated Notes — Loss Absorption:	In the event of a PONV Trigger Event, Subordinated Notes will be subject to interest cancellation and Write-Down (as defined in Condition 9.1(c)). Any nominal amount Written-Down due to the occurrence of a PONV Trigger Event will not be restored in any circumstances. Further, Additional Tier 1 Notes will also be subject to interest cancellation and Write-Down upon the occurrence of a CET1 Trigger Event, with any Reinstatement (as defined in Condition 9.2(b)) being at the Issuer’s option and subject to regulation. See Condition 9 and “<i>Investment Considerations — Risks Relating to the Subordinated Notes</i>” for further details.
Listing:.....	Application has been made to the SGX-ST for permission to deal in, and quotation of any Notes that may be issued pursuant to the Program and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes if traded, will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies). Application will be made to the Global Securities Market of the India INX for the Notes to be admitted to trading on the Global Securities Market of the India INX.

	Application will be made to the NSE IX for the Notes to be admitted to trading on the NSE IX. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series. Unlisted Notes may also be issued. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).
Use of Proceeds:	The net proceeds from each issue of the Notes will be used to: (i) meet the funding requirement of the Bank's foreign offices, including the GIFT City Branch, the Hong Kong Branch, the London Branch, Sydney Branch and subject to the approval of the RBI, foreign subsidiaries, and to develop and expand business in these offices; and/or (ii) strengthen the capital base of the Bank's foreign offices, including the GIFT City Branch, the Hong Kong Branch, the London Branch, Sydney Branch and subject to the approval of the RBI, foreign subsidiaries, with respect to the issuance of qualifying Subordinated Notes and/or to augment the Bank's capital in accordance with relevant regulatory guidelines; and/or (iii) meet its general corporate purposes. The proceeds from the bonds issued under the ESG Financing Framework, as and when issued by the Issuer under the Program, will be applied in accordance with the ESG Financing Framework. See "<i>The Issuer's ESG Financing Framework</i>".
Governing Law:	The Notes (other than AMTNs) and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law except that in the case of Tier 2 Notes, Condition 3.2 (Status of the Tier 2 Notes) and, in the case of Additional Tier 1 Notes, Condition 3.3 (Status of the Additional Tier 1 Notes) will be governed by Indian Law. AMTNs will be governed by the laws of New South Wales, Australia.
Clearing System:	The Euroclear, Clearstream, DTC (each as defined in Condition 1), the Austraclear System and/or any other clearing system, as specified in the applicable Pricing Supplement (see "<i>Form of the Notes</i>").
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including, for these purposes, the United Kingdom and The Netherlands), India, Hong Kong, Singapore, Australia, the UAE, Dubai International Finance Centre, Bahrain and Qatar and such other restrictions as may be required in connection with the offering

United States Selling Restrictions:

and sale of a particular Tranche of Notes (see “*Subscription and Sale*” and “*Transfer and Marketing Restrictions*”).

Regulation S, Category 1 or 2 and Rule 144A, TEFRA C or D, or TEFRA not applicable as specified in the applicable Pricing Supplement.

FORM OF THE NOTES

This section does not apply to AMTNs.

The Notes of each Series will be in either bearer form, with or without interest coupons (“**Coupons**”) attached, or registered form, without Coupons attached. Bearer Notes will be issued outside the United States to non-U.S. persons in reliance on Regulation S. Registered Notes will be issued both outside the United States (and in the case of Notes offered or sold in reliance on Category 2 of Regulation S, to, or for the account or benefit of, non-U.S. persons outside the United States) in reliance on Regulation S and within the United States to “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act (“**QIBs**”) or to “accredited investors” as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act (“**Institutional Accredited Investors**”) in reliance on an exemption from the registration requirements of the Securities Act.

Notes to be listed on the SGX-ST, the Global Securities Market of the India INX or the NSE IX will be accepted for clearance through Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”) and/or the Depositary Trust Company (the “**DTC**”).

Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will initially be represented by either a temporary bearer global note (a “**Temporary Bearer Global Note**”) or a permanent bearer global note (a “**Permanent Bearer Global Note**” and, together with a Temporary Bearer Global Note, the “**Bearer Global Notes**”, and each a “**Bearer Global Note**”) as indicated in the applicable Pricing Supplement, which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the “**Common Depositary**”) for Euroclear and Clearstream. Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the “**Exchange Date**”) which, for each Tranche in respect of which a Temporary Bearer Global Note is issued, is 40 days after the Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above, unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event.

For these purposes, “**Exchange Event**” means that (i) an Event of Default has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any case, no successor or alternative clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form (provided that, in certain circumstances where the Notes are held through Euroclear and/or Clearstream, such adverse tax consequences are as a result of a change in, or amendment to, the laws or regulations (taxation or otherwise) in, or of, a Tax Jurisdiction (as defined under “*Terms and Conditions of the Notes — Condition 10*”) or the Specified Country (as defined under “*Terms and Conditions of the Notes — Condition 8*”). The Issuer will promptly give notice to the Noteholders in accordance with Condition 16 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or, the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Global Notes (other than Temporary Bearer Global Notes), receipts and interest coupons relating to such Notes where TEFRA D is specified in the applicable Pricing Supplement:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, as the case may be.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold outside the United States (and, in the case of Notes being offered or sold in reliance on Category 2 of Regulation S, only to non-U.S. persons outside the United States), will initially be represented by a global note in registered form, without receipts or coupons, (a “**Regulation S Global Note**”) deposited with a common depositary for Euroclear and Clearstream, and registered in the name of a nominee of such common depositary. Prior to expiry of the distribution compliance period (as defined in Regulation S) (“**Distribution Compliance Period**”) (if any) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States in private transactions (i) to QIBs or (ii) to Institutional Accredited Investors who agree to purchase the Notes for their own account and not with a view to the distribution thereof. The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form, without receipts or interest coupons, (a “**Rule 144A Global Note**” and, together with a Regulation S Global Note, the “**Registered Global Notes**”) which will be deposited with a custodian for, and registered in the name of DTC or a nominee of, DTC. No sale of Legended Notes (as defined under “*U.S. Information*” above) in the United States to any one purchaser will be for less than U.S.\$200,000 (or its foreign currency equivalent) principal amount.

Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in registered form.

The Definitive IAI Registered Notes of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof. Unless otherwise set forth in the applicable Pricing Supplement, Definitive IAI Registered Notes will be issued only in minimum denominations of U.S.\$500,000 and integral multiples of U.S.\$1,000 in excess thereof (or the approximate equivalents in the applicable Specified Currency). Definitive IAI Registered Notes will be subject to the restrictions on transfer set forth therein and will bear the restrictive legend described under “*Subscription and Sale*”. Institutional Accredited Investors that hold Definitive IAI Registered Notes may elect to hold such Notes through DTC, but transferees acquiring the Notes in transactions exempt from Securities Act registration pursuant to Regulation S or Rule 144 under the Securities Act (if available) may do so upon satisfaction of the requirements applicable to such transfer as described under “*Subscription and Sale*”. The Rule 144A Global Note and the Definitive IAI Registered Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7.4) as the registered holder of the Registered Global Notes. None of the Issuer, the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, “**Exchange Event**” means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of DTC or a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no successor or alternative clearing system satisfactory to the Trustee is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act, (iii) in the case of Notes registered in the name of nominee for a common depository for Euroclear and Clearstream, the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Trustee is available or (iv) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form. The Issuer will promptly give notice to Noteholders in

accordance with Condition 16 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note or in the form of a Definitive IAI Registered Note and Definitive IAI Registered Notes may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such Notes in the form of an interest in a Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, in each case to the extent applicable. Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions (see “*Subscription and Sale*”).

General

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued in reliance on Category 1 of Regulation S which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned the same common code and ISIN. In the case of a further Tranche of Notes issued in reliance on Category 2 of Regulation S, the Principal Paying Agent shall arrange CUSIP and CINS numbers which are different from the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single series, which shall not be prior to the expiry of the Distribution Compliance Period applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream each person (other than Euroclear and/or Clearstream) who is for the time being shown in the records of Euroclear or Clearstream as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Trustee, the Issuer and their agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note and the registered holder of the relevant Registered Global Note shall be treated by the Trustee, the Issuer and their agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Bearer Global Note and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly.

So long as DTC or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and such Notes except to the extent that in accordance with DTC’s published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Any reference herein to Euroclear and/or Clearstream and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the

applicable Pricing Supplement or otherwise approved by the Issuer, the Trustee, the Principal Paying Agent and the Registrar.

No Noteholder, Receipholder (as defined below) or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

APPLICABLE PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Program.

[Date]

State Bank of India
acting through its [GIFT City]/[Hong Kong]/[London]/[Sydney][●] Branch

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the
U.S.\$10,000,000,000 Medium Term Note Program**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated July 28, 2025 [and the supplement[s] to it dated [●] and [●]] (the “**Offering Circular**”). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Offering Circular dated [original date]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS] — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS] – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”). Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore

offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[MIFID II product governance / target market — [appropriate target market legend to be included]]

[UK MiFIR product governance / target market — [appropriate target market legend to be included]]

[Singapore SFA Product Classification: - In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products] / [capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and [are] [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.)) [- For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.]

[The following to be included for any issuance of Subordinated Notes]

[By its acquisition of the Notes, each holder and beneficial owner acknowledges and agrees *inter alia* that upon the occurrence of a PONV Trigger Event [or a CET1 Trigger Event], all or some of the rights of holders of Notes [and the Receipts] relating to them shall be subject to Write-Down (as defined in the Conditions) and the right to receive interest on any portion of nominal amount Written-Down will cease and all interest amounts that were not due and payable prior to the Write-Down shall be cancelled. [In addition, (1) interest is payable solely at the Issuer’s discretion, and no amount of interest shall become due and payable to the extent that it has been cancelled by the Issuer at its sole discretion and (2) a cancellation of interest (in whole or in part) in accordance with the terms and conditions of such Additional Tier 1 Notes shall not constitute a default in payment or otherwise under the terms thereof. Any interest cancelled (in whole or in part) in the circumstances described herein shall not be due and shall not accumulate or be payable at any time thereafter, and holders and beneficial owners shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation.] See “Investment Considerations — Risks Relating to the Subordinated Notes” in the Offering Circular.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement]

[Insert the following language for an issue of AMTNs:

The Notes will be constituted by a deed poll (“**Note (AMTN) Deed Poll**”) dated [●] executed by the Issuer and will be issued in certificated registered form by inscription on a register. The Notes are AMTNs for the purposes of the Offering Circular dated July 28, 2025 and the Conditions.

Notes will be offered in Australia only in the wholesale capital markets and on the basis that no disclosure to investors is required under Part 6D.2 or Chapter 7 of the Corporations Act 2001 of the Commonwealth of Australia.]

1	Issuer	State Bank of India, acting through its [GIFT City]/[Hong Kong]/[London]/[Sydney]/[●] Branch
2	(a) Series Number:	[●]
	(b) [Tranche Number:	[●] (<i>If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible</i>)

- (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [identify earlier Tranches] on [the Series: Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about [date]] [Not Applicable]
- 3 Specified Currency or Currencies: [●]
- (In case of a denomination in INR, the below is to be included)*
- [The lawful currency of India (“**Indian Rupees**” or “**INR**”), provided that all payments in respect of the Notes will be made in United States Dollars (“**U.S.\$**”).]
- 4 Aggregate Nominal Amount:
- (a) Series: [●]
- (b) Tranche: [●]
- 5 (a) Issue Price: [●]% of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
- (In case of a denomination in INR, the below is to be included)*
- [The Issue Price will be payable in U.S.\$ and will be based on the Aggregate Nominal Amount (in INR) divided by the conversion rate reported by the Financial Benchmarks India Private Limited (the “**FBIL**”) at approximately 1:30 p.m., Mumbai, on [●] and displayed on Bloomberg page “INRRATE Index” at approximately [●].]
- (b) [Net proceeds (Required only for [●] listed issues): [●]]
- (c) [Private Bank Rebate/Selling Commission: [●]]
- 6 (a) Specified Denominations: [●]
- (N.B. Notes must have a minimum denomination of €100,000 or equivalent unless the issue of Notes is (i) NOT admitted to trading on a European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive) (NB — Where Bearer Notes with multiple denominations above [€100,000] or equivalent are being used with respect to Bearer Notes, the following sample wording should be followed: “[€100,000] and*

integral multiples of [€1,000] in excess thereof, up to and including [€199,000] No notes in definitive form will be issued with a denomination above [€199,000].”) (In the case of Registered Notes, this means the minimum integral amount in which transfers can be made)

If the Notes are AMTNs, insert the following:

Subject to the requirement that the amount payable by each person who subscribed for the Notes must be at least A\$500,000 (disregarding monies lent by the Issuer or its associates).

If the Notes are denominated in INR, insert the following:

[INR[●] and integral multiples thereof].

(b)	Calculation Amount (and in relation to calculation of interest in global form see Conditions):	[●] <i>(If only one Specified Denomination, insert the Specified Denomination.</i> <i>If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)</i>
7	(a) Issue Date:	[●]
	(b) Interest Commencement Date:	[Specify/Issue Date/Not Applicable] <i>(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)</i>
8	Maturity Date:	<i>[Fixed rate — specify date/Floating rate — Interest Payment Date falling in or nearest to [specify month and year]]</i> <i>(NB: The maturity date of the Notes will be subject to the guidelines issued by the RBI from time to time)</i>
9	Interest Basis:	[●]% Fixed Rate] [EURIBOR] +/- [●]% Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [specify other] <i>(further particulars specified below)</i>
10	Redemption / Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] <i>(Not applicable to Additional Tier 1 Notes or Tier 2 Notes)</i>

- [Installment]
[specify other]
- 11 Change of Interest Basis or Redemption/Payment Basis: [Applicable/Not Applicable]
(If applicable, specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis) (N.B.: Conditions related to the maturity, redemption, put/call and similar features of Notes qualifying as regulatory capital will be subject to the guidelines issued by the RBI from time to time.)
- 12 Put/Call Options: [Investor Put]
(N.B. Investor Put is not possible for Subordinated Notes.)
[Issuer Call]
(N.B.: Conditions related to the maturity, redemption, put/call and similar features of Notes qualifying as regulatory capital will be subject to the guidelines issued by the RBI from time to time.)
[(further particulars specified below)]
- 13 Status of the Notes: [Senior/Subordinated]
(If “Subordinated”, specify either “Additional Tier 1” or “Tier 2”.)
- 14 (a) Date Board approval for issuance of Notes obtained: [●] [and [●], respectively]/[None required]
(N.B. Only relevant where Board (or similar) authorization is required for the particular tranche of Notes)
- (b) Date regulatory approval/consent for issuance of Notes obtained: [●]/[None required]
(N.B. Only relevant where regulatory (or similar) approval or consent is required for the particular tranche of Notes)
- 15 Listing: [Singapore/Global Securities Market of the India INX/NSE IX/specify other/None]
(N.B. Consider disclosure requirements under the EU Prospectus Directive applicable to securities admitted to an EU regulated market) (N.B. For unlisted Notes and certain other Notes, including Notes listed on India INX or the NSE IX issued by the London Branch, withholding tax may be applicable. See “Taxation — United Kingdom Taxation” in the Offering Circular.)
- 16 Method of distribution: [Syndicated/Non-syndicated]
- PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**
- 17 Fixed Rate Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Rate(s) of Interest: [●]% per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [●] in each year up to and including the Maturity Date *(Amend appropriately in the case of irregular coupons)*
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [●] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in Global form see Conditions): [[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]]/[Not Applicable]
- (e) Day Count Fraction: [Actual/Actual (ICMA)] [30/360] [Actual/365 (Fixed)] or [specify other]
- (f) Determination Date(s): [[●] in each year]/[Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
- 18 Floating Rate Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph.) (N.B. Presently Subordinated Notes with a floating rate of interest are required to be referenced to a market determined Rupee interest benchmarked rate, under the guidelines issued by the RBI)
- (a) Specified Period(s)/Specified Interest Payment Dates: [●], subject to adjustment in accordance with the Business Day Convention set out in (b) below, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be not Applicable.]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not applicable] [specify other]
- (c) Additional Business Center(s): [●]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [●]

- (f) Screen Rate Determination:
- Reference Rate: [●] month [EURIBOR/specify other Reference Rate].
(EURIBOR or other, although additional information required if other, including fallback provisions in the Agency Agreement)
 - Interest Determination Date(s): [●]
(The day on which T2 is open prior to the start of each Interest Period)
 - Relevant Screen Page: [●]
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (g) ISDA Determination:
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●] (in the case of a EURIBOR based option, the first day of the Interest Period)
 - ISDA Definitions: [2006/2021]
- (h) Linear Interpolation: [Not Applicable/Applicable — the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
- (i) Margin(s): [+/-] [●]% per annum
- (j) Minimum Rate of Interest: [●]% per annum
- (k) Maximum Rate of Interest: [●]% per annum
- (l) Day Count Fraction: [Actual/Actual]
[Actual/Actual (ISDA)] [Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360, 360/360 or Bond Basis]
[30E/360 or Eurobond Basis]
[30E/360 (ISDA)] [Other]
- (m) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]
- 19 Zero Coupon Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub paragraphs of this paragraph)
- (a) Accrual Yield: [●]% per annum

- (b) Reference Price: [•]
- (c) Any other formula/basis of determining amount payable: [•]
- (d) Day Count Fraction in relation to Early Redemption Amounts: [30/360] [Actual/360] [Actual/365] [*specify other*]
- 20 Index Linked Interest Note Provisions: [Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
- (a) Index/Formula: [*give or annex details*]
- (b) Calculation Agent: [*give name*]
- (c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): [•]
- (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
- (e) Specified Period(s)/Specified Interest Payment Dates: [•]
- (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
- (g) Additional Business Center(s): [•]
- (h) Minimum Rate of Interest: [•]% per annum
- (i) Maximum Rate of Interest: [•]% per annum
- (j) Day Count Fraction: [•]
- 21 Dual Currency Interest Note Provisions: [Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
- (a) Rate of Exchange/method of calculating Rate of Exchange: [*give or annex details*]
- (b) Party if any, responsible for calculating the principal and/or interest due (if not the Agent): [•]
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
- (d) Person at whose option Specified Currency(ies) is/are payable: [•]

PROVISIONS RELATING TO REDEMPTION

- 22 Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): [•]
- (b) Optional Redemption Amount of each Note and method, if any, of Calculation of such amount(s): [[•] per Calculation Amount/specify other/see Appendix]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [•]
- (ii) Maximum Redemption Amount: [•]
- (iii) Notice period (if other than as set out in the Conditions): [•] (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)
- 23 Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): [•]
- (b) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[•] per Calculation Amount/specify other/see Appendix]
- (c) Notice period (if other than as set out in the Conditions): [•] (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)
- 24 Final Redemption Amount of each Note: [•] per Calculation Amount/[specify other]
(In case of a denomination in INR, the below is to be included)
[The Final Redemption Amount per Calculation Amount will be payable in U.S.\$ and determined by the Calculation Agent on the Rate Fixing Date in respect of the Maturity Date, as follows:
Calculation Amount divided by the Reference Rate
Where:

“Calculation Agent” means [●].

“Reference Rate” means the rate used on each Rate Fixing Date which will be the U.S.\$/INR spot rate, expressed as the amount of Indian Rupees per one United States Dollar, for settlement in two Fixing Business Days, reported by the Financial Benchmarks India Private Limited (the **“FBIL”**), which is displayed on Bloomberg page **“INRRATE Index”** (or any successor page) at approximately 1:30 p.m., Mumbai time, on each Rate Fixing Date. If a Price Source Disruption Event occurs on the Scheduled Rate Fixing Date, then the Reference Rate for such Rate Fixing Date shall be determined by the Calculation Agent in accordance with the Fallback Provisions set out below.

“Rate Fixing Date” means the Scheduled Rate Fixing Date, subject to a Valuation Postponement.

“Scheduled Rate Fixing Date” means the date which is two Fixing Business Days prior to the Interest Payment Date or the Maturity Date or such other date on which an amount in respect of the Notes is due and payable. If the Scheduled Rate Fixing Date is an Unscheduled Holiday, the Rate Fixing Date shall be the next relevant Fixing Business Day, subject to the Deferral Period for an Unscheduled Holiday set out below.

“Unscheduled Holiday” means a day that is not a Fixing Business Day, a fact of which the market was not aware (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in Mumbai, two Fixing Business Days prior to the relevant Rate Fixing Date.

Adjustments to the Interest Payment Date and Maturity Date:

If a Scheduled Rate Fixing Date is adjusted for an Unscheduled Holiday or if Valuation Postponement applies, then the Interest Payment Date or Maturity Date relating to such Scheduled Rate Fixing Date shall be two Payment Business Days after the date on which the Reference Rate for such Interest Payment Date or Maturity Date is determined. If any Interest Payment Date or Maturity Date is adjusted in accordance with the preceding sentence, then such adjustment (and the corresponding payment obligations to be made on such dates) shall apply only to such Interest Payment Date or the Maturity Date, as applicable, and no further adjustment shall apply to the amount of interest payable.

Fallback Provisions:

“Price Source Disruption Event” means it becomes impossible to obtain the Reference Rate on a Rate Fixing Date.

Applicable Price Source Disruption Fallbacks:

In the event of a Price Source Disruption Event, the Calculation Agent shall apply each of the following Price Source Disruption Fallbacks for the determination of the Reference Rate, in the following order, until the Reference Rate can be determined:

Valuation Postponement	(As defined below)
Fallback Reference Price	SFEMC INR Indicative Survey Rate (INR02)
Fallback Survey	(As defined below)
Valuation Postponement	

“Cumulative Events” has the following meaning: Notwithstanding anything to the contrary, in no event shall the total number of consecutive calendar days during which either (i) valuation is deferred due to an Unscheduled Holiday, or (ii) a Valuation Postponement shall occur (or any combination of (i) and (ii)), exceed 14 consecutive calendar days in the aggregate. Accordingly, (x) if, upon the lapse of any such 14 calendar day period, an Unscheduled Holiday shall have occurred or be continuing on the day following such period that otherwise would have been a Fixing Business Day, then such day shall be deemed to be a Rate Fixing Date, and (y) if, upon the lapse of any such 14 calendar day period, a Price Source Disruption Event shall have occurred or be continuing on the day following such period on which the Reference Rate otherwise would be determined, then Valuation Postponement shall not apply and the Reference Rate shall be determined in accordance with the next Price Source Disruption Fallback.

“Valuation Postponement” means that the Reference Rate will be determined on the Fixing Business Day first succeeding the day on which the Price Source Disruption Event ceases to exist, unless the Price Source Disruption Event continues to exist (measured from the date that, but for the occurrence of the Price Source Disruption Event, would have been the Rate Fixing Date) for a consecutive number of calendar days equal

to the Maximum Days of Postponement. In such event, the Reference Rate will be determined on the next Fixing Business Day after the Maximum Days of Postponement (which will, subject to the provisions relating to Fallback Survey Valuation Postponement, be deemed to be the applicable Rate Fixing Date) in accordance with the next applicable Price Source Disruption Fallback.

“Maximum Days of Postponement” means 14 calendar days.

“SFEMC INR Indicative Survey” means a methodology, dated as of December 1, 2004 and as amended from time to time, for a centralized industry-wide survey of financial institutions that are active participants in the Indian Rupee/U.S. Dollar markets for the purpose of determining the SFEMC INR Indicative Survey Rate (INR02).

“SFEMC INR Indicative Survey Rate (INR02)” means that the Reference Rate for a given Rate Fixing Date will be the Indian Rupee/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Indian Rupees per one U.S. Dollar, for settlement in two Fixing Business Days, as published on the website of the Singapore Foreign Exchange Market Committee (**“SFEMC”**) at approximately 3:30 p.m. (Singapore time), or as soon as practicable thereafter, on such date. The Reference Rate shall be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC INR Indicative Survey (as defined below) for the purpose of determining the SFEMC INR Indicative Survey Rate.

“Fallback Survey Valuation Postponement” means that, in the event that the Fallback Reference Price is not available on or before the third Fixing Business Day (or the day that would have been a Fixing Business Day but for an Unscheduled Holiday) succeeding the end of either (i) a Valuation Postponement for a Price Source Disruption Event, (ii) a Deferral Period for an Unscheduled Holiday, or (iii) Cumulative Events, as applicable, then the Reference Rate will be determined in accordance with the next Applicable Price Source Disruption Fallback on such day (which will be deemed to be the applicable Rate Fixing Date). For the avoidance of doubt, Cumulative Events, if applicable, do not preclude postponement of valuation in accordance with this provision.

“Payment Business Day” means any day on which commercial banks and foreign exchange markets settle

payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, New York and Mumbai.

“Fixing Business Day” means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Mumbai and London.

“Deferral Period for an Unscheduled Holiday”: In the event that the Scheduled Rate Fixing Date is postponed due to the occurrence of an Unscheduled Holiday, and if the Rate Fixing Date has not occurred on or before the 14th calendar day after the Scheduled Rate Fixing Date (any such period being a **“Deferral Period”**), then the next day after the Deferral Period that would have been a Fixing Business Day but for the Unscheduled Holiday shall be deemed to be the Rate Fixing Date.]

- 25 Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required):

[[●] per Calculation Amount/specify other/see Appendix] (N.B. If the Final Redemption Amount is 100% of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100% of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)

(In case of a denomination in INR, the below is to be included)

[The Final Redemption Amount as determined in accordance with item 24 above; provided that, for the purposes of such determination, the Scheduled Rate Fixing Date shall be the date that is two Fixing Business Days prior to the date on which the Notes become due and payable.]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 26 Australian interest withholding tax:

[The Notes have been issued in a manner intended to satisfy the public offer exemption from Australian interest withholding tax in section 128F of the *Income Tax Assessment Act 1936 (Australia)*] OR

[The Notes have not been issued in a manner intended to satisfy the public offer exemption from Australian interest withholding tax in section 128F of the *Income Tax Assessment Act 1936 (Australia)*. [The Issuer is not obliged to pay any additional amounts under Condition 10 in respect of any withholding or deduction required by law on account of Australian interest withholding

tax.]] *[Provide supplementary or additional information/disclosure as required.]*

[Bearer Notes:

[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]*

[Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]*

[Permanent Bearer Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]*

** (Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. N.B. The exchange upon notice option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect:*

"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]". Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for Definitive Bearer Notes.)

[Registered Notes:

Regulation S Global Note (U.S.\$[●] nominal amount)/Rule 144A Global Note (U.S.\$ [●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream]/Definitive IAI Registered Notes (U.S.\$ [●] nominal amount)]

(In the case of an issue with more than one Global Note or a combination of one or more Global Notes and Definitive IAI Notes, specify the nominal amounts of each Global Note and, if applicable, the aggregate nominal amount of all Definitive IAI Notes if such information is available)]

[If the Notes are AMTNs, insert the following:

The Notes are AMTNs as referred to in the Offering Circular and will be issued in registered certificated form, constituted by the Note (AMTN) Deed Poll and take the form of entries on a register to be maintained by the Australian Agent (as defined below). Copies of

		the Note (AMTN) Deed Poll are available from the Australian Agent at its principal office in [Sydney/[name alternative Australian city]].]
28	Additional Financial Center(s):	[Not Applicable/give details] While the Notes are in global form, the principal financial centers referred to in the definition of “Payment Day” are: (a) [a day on which T2 is open]¹ / [Hong Kong]² / [Singapore]³ / [London]⁴ / [Sydney]⁵ / [●]⁶, [and] (b) [New York City]⁷; and (c) [give details as per above if applicable]⁸. <i>(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purpose of calculating the amount of interest, to which subparagraphs 18(c) and 20(f) relate)</i>
29	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
30	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/give details. <i>N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues</i>]
31	Details relating to Installment Notes:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
32	Installment Amount(s):	[give details]
33	Installment Date(s):	[give details]
34	Redenomination applicable:	Redenomination [not] applicable <i>(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate</i>

¹ For EUR denominated Notes.

² For HKD or CNH denominated Notes.

³ For SGD denominated Notes.

⁴ For GBP denominated Notes.

⁵ For AUD denominated Notes.

⁶ Specify the principal financial centre of the country of such currency, if different from what has already been included.

⁷ For USD denominated Notes or Notes denominated in another Specified Currency but clearing through DTC.

⁸ Only include where an Additional Financial Centre has been indicated for the drawdown.

		<i>interest calculation (including alternative reference rates))</i>
35	Other terms or special conditions:	[Not Applicable/ <i>give details</i>]
36	Note (AMTN) Deed Poll:	[Not Applicable/ <i>give details</i>]

DISTRIBUTION

37	(a) If syndicated, names of Managers:	[Not Applicable/ <i>give names</i>]
	(b) Stabilizing Manager (if any):	[Not Applicable/ <i>give names</i>]
38	If non-syndicated, name of relevant Dealer:	[●]
39	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	[TEFRA D/TEFRA C/TEFRA not applicable]
40	Whether Category 1 or Category 2 applicable in respect of the Notes offered and sold in reliance on Regulation S:	[Category 1/Category 2] (<i>Notes offered/sold in reliance on Category 1 must be in registered form</i>)
41	Additional selling restrictions:	[Not Applicable/ <i>give details</i>]
42	Additional U.S. federal income tax considerations:	[Not Applicable/ <i>give details</i>]
43	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]
44	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable]

HONG KONG SFC CODE OF CONDUCT

45	(i) Rebates:	[A rebate of [●] bps is being offered by the [Issuer] to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.] / [Not Applicable]
	(ii) Contact email addresses of the [Overall Coordinators / Capital Market Intermediaries] where underlying investor information in relation to omnibus orders should be sent:	[<i>Include relevant contact email addresses of the [Overall Coordinators / Capital Market Intermediaries] where the underlying investor information should be sent – OCs / CMIs to provide</i>] / [Not Applicable]
	(iii) Marketing and Investor Targeting Strategy:	[if different from the Program OC]

OPERATIONAL INFORMATION

46	Any clearing system(s) other than Euroclear, Clearstream, DTC and the Austraclear System and the relevant identification number(s):	[Not Applicable/give name(s) and number(s)]
47	Delivery:	Delivery [against/free of] payment
48	Australian Agent or additional Paying Agent(s) (if any):	[•] If the Notes are AMTNs, insert the following: [•] has been appointed under [•] dated [•] as issuing and paying agent and registrar (Australian Agent) in respect of the AMTNs. The Australian Agent's address is [•].
49	Address of the Issuer if the Issuer is an overseas branch of the Bank that is neither the GIFT City Branch, the Hong Kong Branch, the London Branch nor the Sydney Branch:	[•]
50	Process Agent in Australia:	[Not Applicable/give details]
51	Reasons for the Offer:	[•] [Use of proceeds as described in the Offering Circular] [Use of proceeds for Eligible Green Projects as defined in the Offering Circular] [Other]
52	ISIN:	[•]
53	Common Code: (insert here any other relevant codes such as CUSIP and CINS codes)	[•]

[LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.\$10,000,000,000 Medium Term Note Program of State Bank of India, acting through its [GIFT City]/[Hong Kong]/[London]/[Sydney]/[•] Branch.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: _____
Duly authorized

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will (i) be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions and (ii) apply to each AMTN (as defined below). The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note or, in respect of the AMTNs, entered in the A\$ Register. Reference should be made to “Form of the Notes” for a description of the content of Pricing Supplements which will specify which of such terms are to apply in relation to the relevant Notes.

The Note is one of a Series (as defined below) of Notes issued by State Bank of India (the “**Issuer**”) pursuant to the Agency Agreement or the Australian Agency Agreement (each as defined below) and (other than the AMTNs) is constituted by an amended and restated Trust Deed dated July 28, 2025 (such Trust Deed as further modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) made between the Issuer and Citicorp International Limited (the “**Trustee**” which expression shall include any successor as Trustee). The AMTNs will be constituted by the deed poll as specified in the applicable Pricing Supplement (as amended and supplemented from time to time, the “**Note (AMTN) Deed Poll**”). The Issuer and the registrar and issuing and paying agent in Australia as specified in the applicable Pricing Supplement (the “**Australian Agent**”) will have entered into an Agency and Registry Services Agreement (as amended and supplemented from time to time, the “**Australian Agency Agreement**”) in relation to the AMTNs. The applicable Pricing Supplement (as defined below) will indicate whether the Issuer is acting in relation to the Notes through its GIFT City Branch, Hong Kong Branch, London Branch, Sydney Branch or any of its other foreign branches.

References herein to the “**Notes**” shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a “**Global Note**”), units of the lowest Specified Denomination in the Specified Currency;
- (ii) any Global Note;
- (iii) any definitive Notes in bearer form (“**Bearer Notes**”) issued in exchange for a Global Note in bearer form;
- (iv) definitive Notes in registered form (“**Registered Notes**”) (whether or not issued in exchange for a Global Note in registered form); and
- (v) any AMTNs (as defined below).

The Notes (other than Notes denominated in Australian dollars, governed by the law in force in New South Wales, Australia, cleared through the Austraclear System (as defined in Condition 2), issued in the Australian domestic capital market and ranking as senior obligations of the Issuer (“**AMTNs**”), the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement dated July 28, 2025 (such Agency Agreement as further amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) and made between the Issuer, the Trustee, Citibank, N.A. London Branch as principal paying agent and agent bank (the “**Principal Paying Agent**”, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents), Citibank, N.A. London Branch as exchange agent (the “**Exchange Agent**”, which expression shall include any successor exchange agent) and Citicorp International Limited as registrar (the “**Registrar**”,

which expression shall include any successor registrar) and transfer agent and the other transfer agents named therein (together with the Registrar, the “**Transfer Agents**”, which expression shall include any additional or successor transfer agents).

The provisions of these Conditions (as defined below) relating to Bearer Notes, Certificates, Receipts, Coupons and Talons do not apply to AMTNs. The Principal Paying Agent, the Registrar and the Paying Agents and other Transfer Agents are together referred to as the “**Agents**”.

Interest bearing definitive Bearer Notes have interest coupons (“**Coupons**”) and, in the case of Bearer Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (“**Talons**”) attached on issue. Any reference herein to Coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons. Definitive Bearer Notes repayable in installments have receipts (“**Receipts**”) for the payment of the installments of principal (other than the final installment) attached on issue. Registered Notes, AMTNs and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Pricing Supplement for a Note (or the relevant provisions thereof) is attached to or endorsed on the Note or, in respect of the AMTNs, entered in the A\$ Register (as defined below) and, in each case, supplements these Terms and Conditions (“**Conditions**”) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of the relevant Note. References to the “**Applicable Pricing Supplement**” are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on the Note or, in respect of the AMTNs, entered in the A\$ Register.

Any reference to “**Noteholders**” or “**holders**” in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes or AMTNs) the persons in whose name the Notes are registered in the Register of the A\$ Register (as defined below), as the case may be, and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to “**Receiptholders**” shall mean the holders of the Receipts and any reference herein to “**Couponholders**” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons. The Trustee acts for the benefit of the Noteholders, the Receiptholders and the Couponholders, in accordance with the provisions of the Trust Deed.

As used herein, “**Tranche**” means Notes which are identical in all respects (including as to listing and admission to trading) and “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the principal place of business in Hong Kong for the time being of the Trustee (at 39/F, Champion Tower, 3 Garden Road, Central, Hong Kong and at the specified office of each of the Principal Paying Agent, the Registrar, the other Paying Agents and the Transfer Agents (the Principal Paying Agent, the Registrar, the other Paying Agents, the Transfer Agents and the Registrar being together referred to as the “**Agents**”). Copies of the applicable Pricing Supplement are obtainable during normal business hours at the specified office of each of the Agents save that, if the Note is an unlisted Note of any Series, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes and identity. The Note (AMTN) Deed Poll will be held by the Australian Agent and copies of the Note (AMTN) Deed Poll and the Australian Agency Agreement referred to above are available for inspection free of charge during usual business hours at the principal office of the Australian Agent as specified in the applicable Pricing Supplement. If required in connection with any legal proceedings, claims or actions brought by a holder of AMTNs, the

Issuer must procure that the Australian Agent provide a certified copy of the Note (AMTN) Deed Poll and the Australian Agency Agreement to such holder within 14 days of a written request to the Issuer to so provide. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, and are bound by, those provisions of the Trust Deed, the applicable Pricing Supplement, the Agency Agreement and, in relation to the AMTNs only, the Australian Agency Agreement and Note (AMTN) Deed Poll which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed and the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1 FORM, DENOMINATION AND TITLE

The Notes may be in bearer form or in registered form and, in the case of definitive Notes, will be serially numbered, in the currency (the “**Specified Currency**”) and the denominations (the “**Specified Denomination(s)**”) specified in the applicable Pricing Supplement. Save as provided in Condition 2, Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and vice versa. AMTNs will only be issued in registered certificated form.

The Note may be a Senior Note, an Additional Tier 1 Note or a Tier 2 Note, as indicated in the applicable Pricing Supplement.

Additional Tier 1 Notes and Tier 2 Notes (together, “**Subordinated Notes**”) will be in registered form unless otherwise specified in the applicable Pricing Supplement.

The Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

The Note may be an Index Linked Redemption Note, an Installment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes and AMTNs will pass upon registration of transfers in the register in accordance with the provisions of the Agency Agreement or the Australian Agency Agreement (as the case may be). The Issuer, the Trustee and any Agent will (except as otherwise ordered by a court of competent jurisdiction or required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream**”), each person (other than Euroclear or Clearstream) who is for the time being shown in the records of Euroclear or Clearstream as the holder of a

particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note and the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Trustee and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes, as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

For so long as any of the Notes is represented by a Regulation S Global Note, the registered holder of the relevant Regulation S Global Note shall be treated by the Issuer, the Trustee and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note.

For so long as The Depository Trust Company (“**DTC**”) or its nominee is the registered owner or holder of a Rule 144A Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Rule 144A Global Note for all purposes except to the extent that in accordance with DTC’s published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, as the case may be. References to DTC, Euroclear and/or Clearstream shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the Issuer, the Trustee and the Principal Paying Agent.

In the case of AMTNs, the following provisions shall apply in lieu of the foregoing provisions of Condition 1 in the event of any inconsistency.

AMTNs will be debt obligations of the Issuer owing under the Note (AMTN) Deed Poll, will be represented by a certificate (an “**AMTN Certificate**”) and will take the form of entries in a register (the “**A\$ Register**”) to be established and maintained by the Australian Agent in Sydney unless otherwise agreed with the Australian Agent (pursuant to the Australian Agency Agreement). The Agency Agreement is not applicable to the AMTNs.

AMTNs will not be serially numbered. Each entry in the A\$ Register constitutes a separate and individual acknowledgement to the relevant Noteholder of the indebtedness of the Issuer to the relevant Noteholder. The obligations of the Issuer in respect of each AMTN constitute separate and independent obligations which the Noteholder is entitled to enforce in accordance with these Conditions and the Note (AMTN) Deed Poll. Other than an AMTN Certificate, no certificate or other evidence of title will be issued by or on behalf of the Issuer unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

No AMTN will be registered in the name of more than four persons. AMTNs registered in the name of more than one person are held by those persons as joint tenants. AMTNs will be registered by name only, without reference to any trusteeship and an entry in the A\$ Register in relation to an AMTN constitutes conclusive evidence that the person so entered is the registered owner of such AMTN, subject to rectification for fraud or error.

Upon a person acquiring title to any AMTNs by virtue of becoming registered as the owner of that AMTN, all rights and entitlements arising by virtue of the Note (AMTN) Deed Poll in respect of that AMTN vest absolutely in the registered owner of the AMTN, such that no person who has previously been registered as the owner of the AMTN has or is entitled to assert against the Issuer or the Australian Agent or the registered owner of the AMTN for the time being and from time to time any rights, benefits or entitlements in respect of the AMTN.

Each Tranche of AMTNs will be represented by a single AMTN Certificate substantially in the form set out in the Note (AMTN) Deed Poll. The Issuer shall issue and deliver, and procure the authentication by the Australian Agent of, such number of AMTN Certificates as are required from time to time to represent all of the AMTNs of each Series. An AMTN Certificate is not a negotiable instrument nor is it a document of title in respect of any AMTNs represented by it. In the event of a conflict between any AMTN Certificate and the A\$ Register, the A\$ Register shall prevail (subject to correction for fraud or proven error).

2 TRANSFERS OF REGISTERED NOTES AND AMTNS

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Registered Notes in definitive form or for a beneficial interest in another Registered Global Note of the same series only in the authorized denominations set out in the applicable Pricing Supplement as Specified Denominations and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement. Transfers of a Rule 144A Global Note shall be limited to transfers of such Rule 144A Global Note, in whole but not in part, to a nominee of DTC or to a successor of DTC or such successor's nominee.

2.2 Transfers of Registered Notes in Definitive Form

Subject as provided in Conditions 2.5, 2.6 and 2.7 below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorized denominations set out in the applicable Pricing Supplement as Specified Denominations). In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorized in writing and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 5 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered

Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent by uninsured mail to the transferor.

2.3 Transfers of AMTNs

AMTNs may be transferred in whole but not in part. Unless lodged in the Austraclear System, the AMTNs will be transferable by duly completed and (if applicable) stamped transfer and acceptance forms in the form specified by, and obtainable from, the Australian Agent or in any other manner approved by the Issuer and the Australian Agent. Each transfer and acceptance form must be accompanied by such evidence (if any) as the Australian Agent may require to prove the title of the transferor or the transferor's right to transfer the AMTNs and be signed by both the transferor and the transferee.

AMTNs entered in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

AMTNs may only be transferred within, to or from Australia if:

- (i) the aggregate consideration payable by the transferee at the time of transfer is at least A\$500,000 (or its equivalent in any other currency and, in either case, disregarding moneys lent by the transferor or its associates) and the offer or invitation giving rise to the transfer otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act 2001 of the Commonwealth of Australia (the “**Australian Corporations Act**”);
- (ii) the transfer is not to a **retail client** for the purposes of section 761G of the Australian Corporations Act;
- (iii) the transfer is in compliance with all applicable laws, regulations or directives (including, without limitation, in the case of a transfer to or from Australia, the laws of the jurisdiction in which the transfer takes place); and
- (iv) in the case of a transfer between persons outside Australia, if a transfer and acceptance form is signed outside Australia. A transfer to an unincorporated association is not permitted.

A person becoming entitled to an AMTN as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to that entitlement or status as the Australian Agent considers sufficient, transfer such AMTN or, if so entitled, become registered as the holder of the AMTN.

Where the transferor executes a transfer of less than all of the AMTNs registered in its name, and the specific AMTNs to be transferred are not identified, the Australian Agent may register the transfer in respect of such of the AMTNs registered in the name of the transferor as the Australian Agent thinks fit, provided the aggregate nominal amount of the AMTNs registered as having been transferred equals the aggregate nominal amount of the AMTNs expressed to be transferred in the transfer.

2.4 Registration of Transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 8, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.5 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.6 Transfers of Interests in Regulation S Global Notes

Transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States will only be made:

- (i) upon receipt by the Registrar of a written certification substantially in the form set out in Schedule 3 to the Agency Agreement, amended as appropriate (a “**Transfer Certificate**”), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made:
 - (A) to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
 - (B) to a person who is an Institutional Accredited Investor,
together with, in the case of (B), a duly executed investment letter from the relevant transferee substantially in the form set out in Schedule 4 to the Agency Agreement (an “**IAI Investment Letter**”) and such other satisfactory evidence as the Issuer may reasonably require from the transferor, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States; or
- (ii) otherwise pursuant to an effective registration statement under the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require from the transferor, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of Condition 2.6(i)(A) above, such transferee may take delivery through a Legended Note in global or definitive form and, in the case of Condition 2.6(i)(B) above, such transferee may take delivery only through a Legended Note in definitive form. After expiry of the Distribution Compliance Period, if applicable, (i) beneficial interests in Regulation S Global Notes may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

2.7 Transfers of Interests in Legended Notes

Transfers of Legended Notes or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream; or
- (ii) to a transferee who takes delivery of such interest through a Legended Note:
 - (A) where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
 - (B) where the transferee is an Institutional Accredited Investor, subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed IAI Investment Letter from the relevant transferee and such other satisfactory evidence as the Issuer may reasonably require from the transferor, which may include an opinion of U.S.

counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States, and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction;

(iii) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available); or

(iv) pursuant to an effective registration statement under the Securities Act,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Notes transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC, Euroclear or Clearstream, as appropriate, and the Registrar will arrange for any Notes which are the subject of such a transfer to be represented by the appropriate Registered Global Note, where applicable.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the legend (the “**Legend**”) applicable to Legended Notes, the Registrar shall deliver only Legended Notes or refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

2.8 Exchanges of Registered Notes Generally

Holders of Registered Notes in definitive form that were sold outside the United States in accordance with Regulation S may exchange such Notes for Regulation S Global Notes at any time and holders of Rule 144A Notes in definitive form may exchange such Notes for interests in a Rule 144A Global Note of the same type at any time.

2.9 Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Installment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 8.3, (iii) after any such Note has been called for redemption (iv) during the period of seven days ending on (and including) any Record Date; or (v) during any period commencing on the date of a Loss Absorption Event Notice and ending on the close of business in London on the effective date of the related Write-Down.

2.10 Definitions

In these Conditions, the following expressions shall have the following meanings:

“**Austraclear**” means Austraclear Ltd (ABN 94 002 060 773);

“**Austraclear Regulations**” means the regulations known as the “Austraclear Regulations”, together with any instructions or directions (as amended or replaced from time to time), established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system;

“**Austraclear System**” means the clearing and settlement system operated by Austraclear in Australia for holding securities and electronic recording and the settling of transactions in those securities between participants of that system;

“Distribution Compliance Period” means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

“Institutional Accredited Investor” means an institutional investor that qualifies as an “accredited investor” (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act);

“Legended Note” means Registered Notes in definitive form that are issued to Institutional Accredited Investors and Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;

“Outstanding Nominal Amount” means the issued nominal amount of a Subordinated Note (the **“Issued Nominal Amount”**), as reduced pursuant to any Write-Down and as increased pursuant to any Reinstatement (to the extent applicable or permitted and in respect of Additional Tier 1 Notes only), from time to time. All references in these Conditions to nominal amount will, in respect of Subordinated Notes, refer to Outstanding Nominal Amount or Issued Nominal Amount, as relevant and unless otherwise specified;

“QIB” means a “qualified institutional buyer” within the meaning of Rule 144A; **“Regulation S”** means Regulation S under the Securities Act;

“RBI” or **“Reserve Bank of India”** means the Reserve Bank of India (being the apex central banking and monetary authority of India) and any successor entity having primary bank regulatory authority with respect to the Issuer;

“Regulation S Global Note” means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

“Rule 144A” means Rule 144A under the Securities Act;

“Rule 144A Global Note” means a Registered Global Note representing Notes sold in the United States to QIBs; and

“Securities Act” means the United States Securities Act of 1933, as amended.

3 STATUS

3.1 Status of the Senior Notes

Notes the status of which is specified in the applicable Pricing Supplement as Senior (the **“Senior Notes”**) and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsubordinated and unsecured obligations of the Issuer, from time to time outstanding.

3.2 Status of the Tier 2 Notes

This Condition 3.2 applies only to Notes specified in the applicable Pricing Supplement as “Tier 2 Notes”.

The Tier 2 Notes are not deposits of the Issuer and are not guaranteed or insured by the Issuer or any party related to the Issuer and they may not be used as collateral for any loan made by the Issuer or any of its subsidiaries or affiliates.

(a) Status

The Tier 2 Notes are direct and unsecured obligations of the Issuer and rank *pari passu* without preference among themselves. The rights and claims of Noteholders in respect of, or arising under, the Tier 2 Notes are subordinated in the manner described in Condition 3.2(b).

(b) Subordination

Tier 2 Notes and any relative Receipts and Coupons are unsecured obligations of the Issuer and, in the event of the liquidation or winding up (as determined pursuant to the State Bank of India Act, 1955, as amended (the “**SBI Act**”)) of the Issuer, the claims of the holders of Tier 2 Notes and any relative Receipts and Coupons pursuant thereto will be subordinated in right of payment to the claims of all other creditors (other than claims of holders of Subordinated Indebtedness ranking, or expressed to rank equal to or junior to the claims of the holders of Tier 2 Notes and any relative Receipts and Coupons, if any) of the Issuer in the manner and to the extent provided in the Trust Deed. For the avoidance of doubt, the claims of holders of Tier 2 Notes and any relative Receipts and Coupons shall be senior to the claims of holders of Tier 1 capital as defined in the RBI Guidelines. “**RBI Guidelines**” means, in respect of any Series of Notes, the Reserve Bank of India’s Master Circular - Basel III Capital Regulations (RBI/2022-23/12 DOR.CAP.REC.3/21.06.201/2022-23) dated April 1, 2022, as amended or updated at any time prior to the earliest date on which any Note of such Series was issued.

No Noteholder, Receiptholder or Couponholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Tier 2 Notes and each Noteholder, Receiptholder and Couponholder shall by virtue of its subscription, purchase or holding of any Tier 2 Note, be deemed to have waived all such rights of set-off to the fullest extent permitted by law.

“**Subordinated Indebtedness**” means all indebtedness of the Issuer which by its terms is subordinated, in the event of the liquidation or winding up (as determined pursuant to the SBI Act) of the Issuer, in right of payment to the claims of unsubordinated creditors of the Issuer and so that, for the purpose of this definition, indebtedness shall include all liabilities, whether actual or contingent, under guarantees or indemnities.

3.3 Status of the Additional Tier 1 Notes

This Condition 3.3 applies only to Notes specified in the applicable Pricing Supplement as “Additional Tier 1 Notes”.

(a) Status

The Additional Tier 1 Notes are direct and unsecured obligations of the Issuer and rank *pari passu* without preference among themselves. The rights and claims of Noteholders in respect of, or arising under, the Additional Tier 1 Notes are subordinated in the manner described in Condition 3.3(b).

The Additional Tier 1 Notes are not deposits of the Issuer and are not guaranteed or insured by the Issuer or any party related to the Issuer and they may not be used as collateral for any loan made by the Issuer or any of its subsidiaries or affiliates.

(b) Subordination

The Issuer, for itself, its successors and assignees, covenants and agrees, and each Noteholder by subscribing for or purchasing an Additional Tier 1 Note irrevocably acknowledges and agrees, that:

- (i) the indebtedness evidenced by the Additional Tier 1 Notes constitutes unsecured and subordinated obligations of the Issuer; and
- (ii) the subordination is for the benefit of the holders of indebtedness that ranks senior to the Additional Tier 1 Notes.

In the event of a liquidation or winding up (as determined pursuant to the SBI Act) of the Issuer, claims of the holders of Additional Tier 1 Notes and any related receipts pursuant thereto in respect of the Additional Tier 1 Notes will rank:

- (i) senior to the claims of investors in equity shares and perpetual non-cumulative preference shares of the Issuer;
- (ii) subordinate to the claims of all depositors and general creditors and holders of subordinated debt of the Issuer (including holders of Tier 2 Notes) other than any subordinated debt qualifying as Additional Tier 1 Capital of the Issuer (as defined under the RBI Guidelines); and
- (iii) *pari passu* and without preference among themselves and with any other claims in respect of debt instruments classified as Additional Tier 1 Capital under the RBI Guidelines and, to the extent permitted by the RBI Guidelines, at least *pari passu* with any subordinated obligation that was eligible for inclusion in hybrid Tier I capital under the Basel II guidelines of the RBI prevailing as at its issue date.

The principal of, and interest and any additional amounts payable on, the Additional Tier 1 Notes will be subordinated in right of payment upon the occurrence of any winding up or liquidation proceeding to the prior payment in full of all deposit liabilities and all other liabilities of the Issuer (including liabilities of all offices and branches of the Issuer wherever located and any subordinated debt securities of the Issuer that rank senior to the Additional Tier 1 Notes), except in each case to those liabilities which by their terms rank, or are expressed to rank, equally in right of payment with or which are subordinated to the Additional Tier 1 Notes, in the manner and to the extent provided in the Trust Deed.

No Noteholder or Receiptholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Additional Tier 1 Notes and each Noteholder and Receiptholder shall by virtue of its subscription, purchase or holding of any Additional Tier 1 Note, be deemed to have waived all such rights of set-off to the fullest extent permitted by law.

The Additional Tier 1 Notes are neither secured nor covered by a guarantee of the Issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.

The Additional Tier 1 Notes will not contribute to liabilities exceeding assets if such a balance sheet test forms part of a requirement to prove insolvency under any law or otherwise. Accordingly, a payment in respect of the Additional Tier 1 Notes will not be due and payable to the extent that the Issuer is not solvent (as determined pursuant to Indian law) at the time of such payment or would not be solvent (as determined pursuant to Indian law) immediately after such payment.

As used in these Conditions:

- (a) **“Additional Tier 1 Capital”** has the meaning given to it in the RBI Guidelines;
- (b) **“Common Equity Tier 1 Capital”** has the meaning given to it in the RBI Guidelines;
- (c) **“Group”** means the Issuer and each subsidiary that is part of its prudential consolidated group from time to time; and
- (d) **“Tier 1 Capital”** has the meaning given to it in the RBI Guidelines.

As a consequence of these subordination provisions, if a winding up proceeding should occur, the Noteholders and Receiptholders may recover less rateably than the holders of deposit liabilities or the holders of other unsubordinated liabilities of the Issuer. Moreover, holders of Additional Tier 1 Notes would likely be

required to pursue their claims on the Additional Tier 1 Notes in proceedings in India as further described in Condition 12.3.

Holders of the Additional Tier 1 Notes will not be entitled to receive notice of, or attend or vote at, any meeting of shareholders of the Issuer or participate in the management of the Issuer.

As of March 31, 2025, the Issuer had capital borrowings ranking senior to Additional Tier 1 Notes of an amount of approximately Rs. 511.31 billion. The Additional Tier 1 Notes do not limit the amount of liabilities ranking senior or equal to the Additional Tier 1 Notes.

To the extent that holders of the Additional Tier 1 Notes are entitled to any recovery with respect to the Additional Tier 1 Notes in any Indian proceedings, such holders may not be entitled in such proceedings to a recovery in U.S. dollars and may be entitled to a recovery in Indian Rupees.

For the avoidance of doubt if the Issuer goes into liquidation or winding-up (as determined pursuant to the SBI Act) before any Write-Down under Condition 9, the Additional Tier 1 Notes will absorb losses in accordance with Condition 3.3(b).

4 NEGATIVE PLEDGE

This Condition 4 applies only to Notes specified in the applicable Pricing Supplement as “Senior Notes”.

4.1 Negative Pledge

So long as any of the Senior Notes remains outstanding (as defined in the Trust Deed) the Issuer will not, without:

- (i) the approval of an Extraordinary Resolution (as defined in the Trust Deed); or
- (ii) according to the Senior Notes and any relative Receipts and Coupons, to the satisfaction of the Trustee, the same security or such other security as the Trustee in its absolute discretion, shall deem not materially less beneficial to the interests of the Noteholders,

create or permit to be outstanding any Encumbrance upon the whole or any part of its properties, assets or revenues to secure External Obligations.

4.2 Interpretation

For the purposes of these Conditions:

“**Encumbrance**” means any mortgage, charge, pledge, hypothecation, lien, encumbrance or other security interest securing any obligation of any person or any other agreement or arrangement having the effect of conferring security.

“**External Obligations**” means all obligations, including guarantees, of the Issuer in respect of bonds, debentures, notes or other debt securities which by their terms (a) are payable in a currency other than Rupees and (b) which are quoted, listed or ordinarily dealt in on any stock exchange or over-the-counter or other securities market outside India.

5 REDENOMINATION

5.1 Redenomination

Where redenomination is specified in the applicable Pricing Supplement as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders or the Couponholders, on giving 30 days’ prior notice to the Trustee, the Principal Paying Agent, Euroclear and/or Clearstream as applicable, and at least 30

days' prior notice to the Noteholders in accordance with Condition 16, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (a) the Notes and the Receipts shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a nominal amount in euro for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Principal Paying Agent and the Trustee, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes are for the time being listed and the Agents of such deemed amendments;
- (b) save to the extent that an Exchange Notice has been given in accordance with Condition 5.1(d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of €1,000, €10,000, €100,000 and (but only to the extent of any remaining amounts less than €1,000 or such smaller denominations as the Issuer in conjunction with the Principal Paying Agent may determine) €0.01 and such other denominations as the Issuer shall determine and notify to the Noteholders;
- (d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Principal Paying Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Rate of Interest to:

- (a) in the case of the Notes represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); and
- (b) in the case of definitive Notes, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is the multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding;

- (g) if the Notes are Floating Rate Notes, the applicable Pricing Supplement will specify any relevant changes to the provisions relating to interest; and
- (h) such other changes shall be made to these Conditions as the Issuer may decide, after consultation with the Trustee and the Principal Paying Agent, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro.

5.2 Definitions

In these Conditions, the following expressions have the following meanings:

“Established Rate” means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

“euro” and **“€”** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

“Redenomination Date” means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (a) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

“Treaty” means the Treaty establishing the European Community, as amended by the Treaty on European Union, as amended.

6 INTEREST

6.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the nominal amount paid up, or, if it is a Subordinated Note, on its Outstanding Nominal Amount) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in these Conditions, “**Fixed Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up or if Subordinated Notes, Outstanding Nominal Amount); or
- (B) in the case of Fixed Rate Notes in definitive form or AMTNs, the Calculation Amount (as defined in the applicable Pricing Supplement) (as modified, in respect of Subordinated Notes, pursuant to any Write-Downs or Reinstatements);

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 6.1:

- (a) if “**Actual/Actual (ICMA)**” is specified in the applicable Pricing Supplement:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; or
- (b) if “**30/360**” is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;
- (c) if “**Actual/365 (Fixed)**” is specified in the applicable Pricing Supplement, the actual number of days in the Accrual Period divided by 365; or

- (d) if “**RBA Bond Basis**” is specified in the applicable Pricing Supplement, one divided by the number of Interest Payment Dates in a year or, where the Calculation Period does not constitute a Fixed Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
 - (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).

In these Conditions:

“**Calculation Period**” means a period in relation to the calculation of an amount of interest on any AMTNs for any period of time (from and including the first day of such period to but excluding the last day of such period);

“**Determination Period**” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“**sub-unit**” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

6.2 Interest on Floating Rate Notes and Index Linked Interest Notes

(a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up, or, if it is a Subordinated Note, on its Outstanding Nominal Amount) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Pricing Supplement.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the

Margin (if any). For the purposes of this subparagraph (A), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent, or the Australian Agent in the case of AMTNs, under an interest rate swap transaction if the Principal Paying Agent, or the Australian Agent in the case of AMTNs, were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (B) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (C) the relevant Reset Date is the day specified in the applicable Pricing Supplement.

For the purposes of this Condition 6.2(b)(i), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

In these Conditions, “**ISDA Definitions**” means (i) if “2006” is specified in the applicable Pricing Supplement, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”), as amended and updated as at the Issue Date of the first Tranche of the Notes; or (ii) if “2021” is specified in the applicable Pricing Supplement, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions, including any Matrices referred to therein, as published by ISDA as at the Issue Date of the first Tranche of the Notes .

(ii) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR or as otherwise specified in the applicable Pricing Supplement) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Relevant Financial Center time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement and the Australian Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of Condition 6.2(b)(ii)(A) above, no such offered quotation appears or, in the case of Condition 6.2(b)(ii)(B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

(c) Minimum and/or maximum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 6.2(b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 6.2(b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Principal Paying Agent, in the case of Floating Rate Notes, the Australian Agent in the case of the AMTNs, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same. If required to be calculated by it, the Principal Paying Agent or, as the case may be, the Calculation Agent shall cause the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Installment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders and, if the Notes are listed on a stock exchange and the rules of such stock exchange or other relevant authority so require, such stock exchange or other relevant authority as soon as practicable after calculating the same.

The Principal Paying Agent, or the Australian Agent in the case of AMTNs, will calculate the amount of interest (the “**Interest Amount**”) payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up);
- (B) in the case of Floating Rate Notes which are AMTNs, the aggregate outstanding nominal amount of the Notes; or
- (C) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 6.2:

- (i) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of

the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (ii) if “**Actual/365 (Fixed)**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if “**Actual/365 (Sterling)**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “**Actual/360**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y^2 - Y^1)] + [30 \times (M^2 - M^1)] + (D^2 - D^1)}{360}$$

where:

“**Y¹**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y²**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M¹**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M²**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**D¹**” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

“**D²**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y^2 - Y^1)] + [30 \times (M^2 - M^1)] + (D^2 - D^1)}{360}$$

where:

“**Y¹**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y²**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M¹**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M²**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D¹” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

“D²” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

- (vii) if “30E/360 (ISDA)” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y^2 - Y^1)] + [30 \times (M^2 - M^1)] + (D^2 - D^1)}{360}$$

where:

“Y¹” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y²” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M¹” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M²” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D¹” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“D²” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“Designated Maturity” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent, or the Australian Agent in the case of AMTNs, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 16 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter, in the

case of Notes, and no later than the fourth Australian Business Day thereafter in the case of AMTNs. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 16. For the purposes of this paragraph, the expression:

- (a) **“London Business Day”** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London; and
- (b) **“Australian Business Day”** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Sydney and Melbourne.

(g) Determination or Calculation by Trustee

If for any reason at any relevant time the Principal Paying Agent, the Australian Agent in the case of the AMTNs, or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Principal Paying Agent defaults in its obligation to calculate any Interest Amount in accordance with Condition 6.2(b)(i) or Condition 6.2(b)(ii) above or as otherwise specified in the applicable Pricing Supplement, as the case may be, and in each case in accordance with Condition 6.2(d) above, the Trustee may (but shall not be obliged to) determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 6.2, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Pricing Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee may (but shall not be obliged to) calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Principal Paying Agent, the Australian Agent or the Calculation Agent, as applicable.

(h) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6, whether by the Principal Paying Agent, the Australian Agent in the case of AMTNs, or, if applicable, the Calculation Agent or the Trustee, shall (in the case of any certificate, communication, opinion, determination, calculation, quotation or decision given, expressed, made or obtained by the Principal Paying Agent, the Australian Agent in the case of the AMTNs or the Calculation Agent, in the absence of willful default, bad faith, manifest error or proven error or, in the case of any certificate, communication, opinion, determination, calculation, quotation or decision given, expressed, made or obtained by the Trustee, in the absence of manifest error or fraud) be binding on the Issuer, the Trustee, the Principal Paying Agent, the Australian Agent in the case of AMTNs, the Calculation Agent (if applicable), the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or, if applicable, the Calculation Agent, the Australian Agent in the case of the AMTNs or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6.3 Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Pricing Supplement.

6.4 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

6.5 Accrual of Interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) as provided in the Trust Deed.

6.6 Definitions

In these Conditions, if a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 6.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (i) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, “**Business Day**” means a day which is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Center (other than T2) specified in the applicable Pricing Supplement;
- (b) if T2 is specified as an Additional Business Center in the applicable Pricing Supplement, a day on which the real time gross settlement system operated by the Eurosystem, or any successor system (the “**T2**”) is open; and
- (c) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal

financial center of the country of the relevant Specified Currency (if other than any Additional Business Center and which, if the Specified Currency is Australian dollars, shall be Sydney and Melbourne or, if New Zealand dollars, shall be Auckland and Wellington, respectively) or (ii) in relation to any sum payable in euro, a day on which T2 is open.

6.7 Payment limitation — Additional Tier 1 Notes

This Condition 6.7 applies only to Additional Tier 1 Notes.

- (a) The Issuer may, at its full discretion and as it deems fit, in accordance with the RBI Guidelines, elect at any time to cancel (in whole or in part) interest otherwise scheduled to be paid on an Interest Payment Date.

Further, the Issuer will cancel (in whole or, as the case may be, in part) the payment of any interest otherwise scheduled to be paid on an Interest Payment Date to the extent that such payment of interest on the Additional Tier 1 Notes is not permitted to be paid under the RBI Guidelines.

Pursuant to the RBI Guidelines, coupons on all Additional Tier 1 instruments (such as the Additional Tier 1 Notes) must be paid out of distributable items. In this context, coupons may be paid out of current year profits. However, if current year profits are not sufficient, coupon may be paid subject to availability of sufficient revenue reserves (those which are not created for specific purposes by a bank) and / or credit balance in profit and loss account, if any. However, payment of coupons on Additional Tier 1 Notes from the revenue reserves is subject to the Issuer meeting minimum regulatory requirements for CET1, Tier 1 and Total Capital ratios at all times and subject to the requirements of capital buffer frameworks (i.e. capital conservation buffer, countercyclical capital buffer and Domestic Systemically Important Banks).

- (b) Interest on the Additional Tier 1 Notes will be non-cumulative. If interest is not paid in whole or in part on an Interest Payment Date pursuant to and in accordance with this Condition 6.7, or is cancelled pursuant to Condition 9, such interest will not be due and payable and the right of Noteholders, Receiptholders and Couponholders to receive interest in respect of the Interest Period ending on such Interest Payment Date will be lost and the Issuer will have no further obligation in respect of the interest for such Interest Period, whether or not any amount of interest is paid for any future Interest Period. Non-Payment of interest in accordance with this Condition 6.7 will not constitute an event of default in respect of the Additional Tier 1 Notes. For the avoidance of doubt, no Noteholder shall have any claim in respect of any interest or part thereof cancelled pursuant to this Condition 6.7. Accordingly, such interest shall not accumulate for the benefit of Noteholders or entitle the Noteholders to any claim in respect thereof against the Issuer.
- (c) In the event that the Issuer determines that it shall not, or is not permitted to, make a payment of interest on Additional Tier 1 Notes in accordance with this Condition 6.7, the Issuer shall notify or procure notification as soon as possible, but not more than 60 calendar days prior to the relevant Interest Payment Date, to the Trustee (in a certificate signed by two directors of the Issuer), the Paying Agents, the relevant stock exchange(s) (if any) on which the Additional Tier 1 Notes are for the time being listed and the holders of Additional Tier 1 Notes (in accordance with Condition 16) of that fact and of the amount that shall not be paid provided that failure to give such notice shall not affect the cancellation of any interest payment (in whole or, as the case may be, in part) and shall not constitute a default.
- (d) If for any reason any payment of interest is not paid in full on an Interest Payment Date then, from the date of which such cancellation has first been notified to any of the Trustee, the Principal Paying Agent or the Noteholders (a “**Dividend Stopper Date**”), the Issuer will not, so long as any of the Additional Tier 1 Notes are outstanding:

- (i) declare or pay any discretionary distribution or dividend or make any other payment on, or directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire its Common Equity Tier 1 Capital (other than to the extent that any such distribution, dividend or other payment is declared before such Dividend Stopper Date; or
- (ii) pay discretionary interest or any other distribution on, or directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire, any of its instruments or securities ranking, as to the right of payment of dividend, distributions or similar payments, *pari passu* with, or junior to, the Additional Tier 1 Notes (excluding securities the terms of which stipulate a mandatory redemption).

in each case unless or until the next Interest Payment Date following the Dividend Stopper Date on which an interest amount has been paid in full (or an equivalent amount has been separately set aside for payment to the Noteholders), or the prior approval of the Noteholders has been obtained via an Extraordinary Resolution.

- (e) Nothing in Condition 6.7(d) will:
 - (i) stop payment on another instrument where the payments on such an instrument are not fully discretionary;
 - (ii) prevent distribution to shareholders for a period that extends beyond the point in time at which interest on the Additional Tier 1 Notes is resumed;
 - (iii) impede the normal operation of the Issuer, including actions in connection with employee share plans or any restructuring activity, including acquisitions and disposals; or
 - (iv) impede the full discretion that the Issuer has, at all times, to cancel distributions or payments on the Additional Tier 1 Notes nor act in a way that could hinder the recapitalization of the Issuer.

7 PAYMENTS

7.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with a bank in the principal financial center of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney and Melbourne or, if New Zealand dollars, shall be Auckland and Wellington); and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

7.2 Presentation of Definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified

office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America and its possessions).

Payments of Installment Amounts (if any) in respect of definitive Bearer Notes, other than the final installment, will (subject as provided below) be made in the manner provided in Condition 7.1 above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final installment will be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant installment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 10) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 11) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A “**Long Maturity Note**” is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

If, upon presentation of a Subordinated Note at the specified office of any Paying Agent, the Outstanding Nominal Amount of the Subordinated Note is less than its Issued Nominal Amount, the relevant Paying Agent shall procure that a statement indicating (1) the amount and the date of any Write-Down and (if applicable and only in relation to Additional Tier 1 Notes) any Reinstatement in relation to the Subordinated Note and (2) the Outstanding Nominal Amount of the Subordinated Note as at the date on which it is so presented, be endorsed on the relevant Subordinated Note prior to any payment in respect of such Subordinated Note being made.

7.3 Payments in Respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Bearer Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

7.4 Payments in Respect of Registered Notes (other than AMTNs)

This Condition 7.4 does not apply to AMTNs.

Payments of principal (other than Installment Amounts prior to the final installment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the “**Register**”) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, “**Designated Account**” means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and “**Designated Bank**” means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial center of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney and Melbourne or, if New Zealand dollars, shall be Auckland and Wellington) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of Installment Amounts (other than the final installment) in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date of the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the “**Record Date**”). Payment of the interest due in respect of each Registered Note on redemption and the final installment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for payment in such Specified Currency for conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

7.5 General Provisions Applicable to Payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes (other than AMTNs) represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream or DTC, as the case may be, for his share of each payment so made by the Issuer in respect of such Global Note.

Notwithstanding the foregoing provisions of this Condition 7.5, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes (other than AMTNs) will be made at the specified office of a Paying Agent in the United States only if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

7.6 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “**Payment Day**” means any day which (subject to Condition 11) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) in the case of Notes in definitive form only, the relevant place of presentation; and
 - (ii) any Additional Financial Center (other than T2) specified in the applicable Pricing Supplement; and
 - (iii) if T2 is specified as an Additional Financial Center in the applicable Pricing Supplement, a day on which T2 is open; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial center of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney and Melbourne or, if New Zealand dollars, shall be Auckland and Wellington) or (B) in relation to any sum payable in euro, a day on which the T2 is open; and

- (c) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day other than a Saturday or Sunday or any other day on which commercial banks are not authorized or required by law or regulation to be closed in New York City.

7.7 Interpretation of Principal and Interest

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 10 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in installments, the Installment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortized Face Amount (as defined in Condition 8.6); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 10 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

7.8 Payments Subject to Fiscal and Other Laws

Payments will be subject in all cases, to (i) any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 10, in the place of payment, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 10) any law implementing an intergovernmental approach thereto.

7.9 AMTNs

- (a) The Australian Agent will act (through its office as specified in the Pricing Supplement) as paying agent for AMTNs pursuant to the Australian Agency Agreement. For the purposes of this Condition 7.9, in relation to AMTNs, “**Business Day**” has the meaning given in the Australian Agency Agreement.
- (b) Payments of principal and interest will be made in Sydney in Australian dollars to the persons registered at the close of business in Sydney on the relevant Record Date (as defined below) as the holders of such AMTNs, subject in all cases to normal banking practice and all applicable laws and regulations. Payment will be made by cheque drawn on the Sydney Branch of an Australian bank dispatched by post on the relevant payment date at the risk of the Noteholder or, at the option of the Noteholder, by the Australian Agent giving in Sydney irrevocable instructions for the effecting of a transfer of the relevant funds to an Australian dollar account in Australia

specified by the Noteholder to the Australian Agent (or in any other manner in Sydney which the Australian Agent and the Noteholder agree).

- (c) In the case of payments made by electronic transfer, payments will for all purposes be taken to be made when the Australian Agent gives irrevocable instructions in Sydney for the making of the relevant payment by electronic transfer, being instructions which would be reasonably expected to result, in the ordinary course of banking business, in the funds transferred reaching the account of the Noteholder on the same day as the day on which the instructions are given.
- (d) If a cheque posted or an electronic transfer for which irrevocable instructions have been given by the Australian Agent is shown, to the satisfaction of the Australian Agent, not to have reached the Noteholder and the Australian Agent is able to recover the relevant funds, the Australian Agent may make such other arrangements as it thinks fit for the effecting of the payment in Sydney.
- (e) Interest will be calculated in the manner specified in Condition 6 and will be payable to the persons who are registered as Noteholders at the close of business in Sydney on the relevant Record Date and cheques will be made payable to the Noteholder (or, in the case of joint Noteholders, to the first-named) and sent to their registered address, unless instructions to the contrary are given by the Noteholder (or, in the case of joint Noteholders, by all the Noteholders) in such form as may be prescribed by the Australian Agent. Payments of principal will be made to, or to the order of, the persons who are registered as Noteholders at the close of business in Sydney on the relevant Record Date, subject, if so directed by the Australian Agent, to receipt from them of such instructions as the Australian Agent may require.
- (f) If any day for payment in respect of any AMTN is not a Business Day, such payment shall not be made until the next following day which is a Business Day, and no further interest shall be paid in respect of the delay in such payment.
- (g) Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto. Neither the Issuer nor the Australian Agent shall be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to or resulting from such payments.

In this Condition 7.9 in relation to AMTNs, “**Record Date**” means, in the case of payments of principal or interest, the close of business in Sydney on the date which is the fifteenth calendar day before the due date of the relevant payment of principal or interest.

8 REDEMPTION AND PURCHASE

For the avoidance of doubt, any redemption or repurchase of Tier 2 Notes or Additional Tier 1 Notes under this Condition 8 shall be subject to regulatory preconditions, including the prior approval of the RBI. The RBI, while considering the request of the Issuer to so redeem the securities, may take into consideration, amongst other things, the Issuer’s capital adequacy position both at the time of the proposed redemption and thereafter.

8.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note), save for any Additional Tier 1 Note, will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date, subject to compliance with the applicable regulatory requirements.

The Additional Tier 1 Notes are perpetual with no scheduled maturity date and may only be redeemed in accordance with Conditions 8.2, 8.3 or 8.4 and subject to the conditions and limitations set forth therein.

8.2 Redemption or Variation for Tax Reasons (Tax Event Call)

In the case of Senior Notes or Tier 2 Notes with no Optional Redemption Date, at any time prior to the applicable Maturity Date or, in the case of Tier 2 Notes with an Optional Redemption Date or Additional Tier 1 Notes, at any time prior to the first Optional Redemption Date as specified in the applicable Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if the Note is neither a Floating Rate Note nor an Index Linked Interest Note) or on any Interest Payment Date (if the Note is either a Floating Rate Note or an Index Linked Interest Note), on giving not less than 30 nor more than 60 days' notice to the Trustee, and the Principal Paying Agent and the Australian Agent in the case of AMTNs and, in accordance with Condition 16, the Noteholders (which notice shall specify the date fixed for redemption and which shall, subject to Condition 9 in respect of Subordinated Notes, be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 10, or (in the case of Subordinated Notes only) will, having been entitled to claim a deduction, no longer be entitled to claim a deduction in respect of computing its taxation liabilities with respect to interest on the Subordinated Notes, in each case as a result of any change in, or amendment to, the laws, regulations or rulings of India or, in addition, if the Issuer is acting through a particular branch (as specified in the applicable Pricing Supplement) (the "**Specified Branch**"), the country where that branch is located (the "**Specified Country**"), or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations or rulings, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes for such series (or, in the case of Subordinated Notes, the Issue Date of such Notes); and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

(a "**Tax Event**")

provided that (1) in the case of Subordinated Notes, the Conditions for Redemption set out in Condition 8.12 shall have been satisfied and (2) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

In the case of Subordinated Notes, the Issuer may (subject to compliance with the Conditions for Redemption) elect, instead of redeeming the Notes on the occurrence of a Tax Event, to vary the terms of the Subordinated Notes so that they become or remain Qualifying Subordinated Notes.

Prior to the publication of any notice of redemption pursuant to this Condition 8.2, the Issuer shall deliver to the Trustee to make available at its specified office to the Noteholders (1) a certificate signed by an authorized officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (2) an opinion of independent legal advisors of recognized standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

As used in this Condition 8:

- (a) **authorized officer of the Issuer** shall mean a person (a) who is duly authorized by the Chairman and Managing Director of the Issuer or (ii) the Fund Management Committee of the Issuer or (b) who is a constituted attorney of the Issuer; and

- (b) **Qualifying Subordinated Notes** means instruments issued by the Issuer (or by the State Bank of India acting through another of its branches) that:
- (i) will be eligible to constitute (or would, but for any applicable limitation on the amount of such capital, constitute) Additional Tier 1 Capital (in the case of variation of Additional Tier 1 Notes) or Tier 2 Capital (in the case of variation of Tier 2 Notes), including that they are fully paid-in;
 - (ii) have terms and conditions not materially less favorable to a Noteholder than the Subordinated Notes (as reasonably determined by the Issuer (provided that in making this determination the Issuer is not required to take into account the tax treatment of the new instrument in the hands of all or any holders of the Subordinated Notes, or any transfer or similar taxes that may apply on the acquisition of the new instrument) provided that a certification to such effect of an authorized signatory of the Issuer shall have been delivered to the Trustee prior to the variation of the terms of the instruments);
 - (iii) shall not at such time be subject to a Tax Event or a Regulatory Event;
 - (iv) will constitute direct obligations of the Issuer (or the State Bank of India acting through another of its branches, as applicable);
 - (v) rank, on a liquidation or winding up (as determined pursuant to the SBI Act) of the Issuer, at least *pari passu* with the obligations of the Issuer in respect of other Additional Tier 1 Capital (in the case of variation of Additional Tier 1 Notes) or Tier 2 Capital (in the case of variation of Tier 2 Notes);
 - (vi) have at least the same Outstanding Nominal Amount and interest payment or distribution dates as the Subordinated Notes and at least equal interest or distribution rate or rate of return as the Subordinated Notes;
 - (vii) are listed on the same stock exchange as the Subordinated Notes (or another securities exchange of international standing regularly used for the listing and quotation of debt securities offered and traded in the international markets);
 - (viii) have, to the extent such payment is not cancelled, the same claim to accrued but unpaid interest;
 - (ix) (where the instruments are varied prior to the first-occurring Optional Redemption Date) have the same issuer call date as the Subordinated Notes;
 - (x) have the same claim to amounts payable upon any redemption; and
 - (xi) which may include such technical changes as necessary to reflect the requirements of Additional Tier 1 Capital (in the case of variation of Additional Tier 1 Notes) or Tier 2 Capital (in the case of variation of Tier 2 Notes) under the RBI Guidelines then applicable to the Issuer.

Notes redeemed pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount referred to in Condition 8.6 below.

8.3 Redemption at the Option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Pricing Supplement, the Issuer may, (1) in the case of Subordinated Notes, at its sole discretion but only upon the expiry of five years from the Issue Date and subject to the Conditions for Redemption, and (2) in the case of any Note having given:

- (a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 16; and
- (b) not less than seven days before the giving of the notice referred to in Condition 8.3(a), notice to:
 - (i) the Trustee, the Principal Paying Agent and the Australian Agent in the case of AMTNs; and
 - (ii) in the case of a redemption of Registered Notes, the Registrar,

(which notices shall specify the date fixed for redemption and which shall, subject to Condition 9 in respect of Subordinated Notes, be irrevocable), redeem all or (except in the case of Subordinated Notes) some only of the Notes then outstanding on any Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate (and subject to Condition 6.7 in respect of Subordinated Notes), with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and/or not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement. In the case of a partial redemption of Notes other than AMTNs, the Notes to be redeemed ("**Redeemed Notes**") will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream and/or, as the case may be, DTC. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 16 not less than 15 days prior to the date fixed for redemption.

In the case of a partial redemption of AMTNs, the AMTNs to be redeemed must be specified in the notice and selected (i) in a fair and reasonable manner; and (ii) in compliance with any applicable law, directive or requirement of any stock exchange or other relevant authority on which the AMTNs are listed.

Any optional redemption of the Subordinated Notes is subject to compliance with applicable regulatory requirements, including the prior approval of the RBI. The RBI, while considering the request of the Issuer to so redeem any Notes, may take into consideration, amongst other things, the Issuer's capital adequacy position both at the time of the proposed redemption and thereafter.

8.4 Redemption or Variation for Regulatory Reasons (Regulatory Event Call)

Subject to the Conditions for Redemption in Condition 8.12 having been satisfied, the Issuer may elect to redeem the Subordinated Notes in whole, but not in part, at any time prior to the first Optional Redemption Date (or, in the case of Tier 2 Notes with no Optional Redemption Date, at any time prior to the Maturity Date), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Agents and, in accordance with Condition 16, the Noteholders (which notice shall specify the date fixed for redemption and which shall, subject to Condition 9, be irrevocable), if a Regulatory Event has occurred and is continuing.

In the case of Subordinated Notes, the Issuer may (subject to compliance with the Conditions for Redemption) elect, instead of redeeming the Notes on the occurrence of a Regulatory Event, to vary the terms of the Subordinated Notes so that they become or remain Qualifying Subordinated Notes.

Prior to the publication of any notice of redemption pursuant to this Condition 8.4, the Issuer shall deliver to the Trustee or the Principal Paying Agent to make available at its specified office to the Noteholders a certificate signed by an authorized officer of the Issuer stating that the circumstances referred to in this Condition 8.4 prevail (including the requirements of Condition 8.12) and setting out the details of such

circumstances, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, Receiptholders and Couponholders.

Subordinated Notes redeemed pursuant to this Condition 8.4 will be redeemed at their Early Redemption Amount.

For the purposes of these Conditions:

A “**Regulatory Event**” occurs if, as result of a change in regulation, the Issuer is notified in writing by the RBI to the effect that the Outstanding Nominal Amount (or the amount that qualifies as regulatory capital, if some amount of the Notes is held by the Issuer or whose purchase is funded by the Issuer) of the Notes is fully or partly excluded from, in the case of Tier 2 Notes, the consolidated Tier 2 capital of the Issuer or, in the case of Additional Tier 1 Notes, the consolidated Tier 1 Capital of the Issuer.

8.5 Redemption of the Senior Notes at the Option of the Noteholders (Investor Put)

(a) If Investor Put is specified in the applicable Pricing Supplement

If Investor Put is specified as being applicable in the relevant Pricing Supplement with respect to Senior Notes only, upon the holder of any Senior Note giving to the Issuer in accordance with Condition 16 not less than 30 nor more than 60 days’ notice (which notice shall be irrevocable) the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, such Senior Note on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

(b) Put Option Exercise Procedures

If this Senior Note is in definitive form, to exercise the right to require redemption of this Senior Note the holder of this Senior Note must deliver such Senior Note at the specified office of any Paying Agent (together with all unmatured Receipts and Coupons and unexchanged Talons in the case of Bearer Notes) or the Registrar (in the case of Senior Notes that are Registered Notes other than AMTNs) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a “**Put Notice**”) and in which the holder must specify a bank account to which payment is to be made under this Condition 8.5 accompanied by, if this Senior Note is in definitive form, this Senior Note or evidence satisfactory to the Paying Agent concerned that this Senior Note will, following delivery of the Put Notice, be held to its order or under its control and, in the case of Senior Notes that are Registered Notes (other than AMTNs), the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. Registered Notes may be redeemed under this Condition 8.5 in any multiple of their lowest Specified Denomination.

8.6 Early Redemption Amounts

For the purpose of Condition 8.2 above and Condition 12:

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount;
- (b) each Zero Coupon Note will be redeemed at an amount (the “**Amortized Face Amount**”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

“**RP**” means the Reference Price;

“**AY**” means the Accrual Yield expressed as a decimal; and

“**y**” is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365); and

- (c) each Subordinated Note will be redeemed at its Outstanding Nominal Amount together with any accrued (subject to Condition 6.7) but unpaid interest relating to the then current Interest Period up to (and excluding) the date on which the Subordinated Note is redeemed,

or on such other calculation basis as may be specified in the applicable Pricing Supplement.

8.7 Installments

Installment Notes will be redeemed in the Installment Amounts and on the Installment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 8.6 above.

8.8 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 8 and the applicable Pricing Supplement.

8.9 Purchases

The Issuer or any Subsidiary (as defined in the Trust Deed) of the Issuer may at any time purchase (i) Senior Notes, (ii) (subject to obtaining the prior approval of the RBI (Department of Banking Regulation) or other relevant authority) Subordinated Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer surrendered to any Paying Agent and/or the Registrar for cancellation.

8.10 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 8.9 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and may not be reissued or resold.

8.11 Late Payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Conditions 8.1, 8.2, 8.3 or 8.5 above or upon its becoming due and repayable as provided in Condition 12 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.6(c) above as though the references therein to

the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Trustee, the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 16.

If any AMTN represented by an AMTN Certificate is redeemed or purchased and cancelled in accordance with this Condition 8 then (i) the applicable AMTN Certificate will be deemed to be surrendered and cancelled without any further formality, and (ii) where some, but not all, of the AMTNs represented by that AMTN Certificate are so redeemed, the Issuer will, promptly and without charge, issue and deliver, and procure the authentication by the Australian Agent of, a new AMTN Certificate in respect of those AMTNs that had been represented by the original AMTN Certificate and which remain outstanding following such redemption.

8.12 Conditions for Redemption and Variation of Subordinated Notes

The Issuer shall not redeem or vary any of the Subordinated Notes unless:

- (i) the Issuer has obtained the prior approval of the Reserve Bank of India (Department of Banking Regulation);
- (ii) in the case of a Tax Event Call or a Regulatory Event Call, the change of law or regulation giving rise to the right to redeem or vary the Subordinated Securities has occurred after the Issue Date and the Reserve Bank of India is convinced that the Issuer was not in a position to anticipate the Tax Event or the Regulatory Event at the time of issuance of the Subordinated Notes; and
- (iii) in the case of a redemption, either (A) the Issuer replaces the Subordinated Notes with capital of the same or better quality and the replacement is done on conditions which are sustainable for the income capacity of the Issuer or (B) the Issuer demonstrates to the satisfaction of the Reserve Bank of India that its capital position would, following such redemption, be well above its minimum capital requirements after the call option is exercised,

(collectively, the “**Conditions for Redemption**”). Prior to any redemption of Subordinated Notes under this Condition 8, the Issuer shall deliver to the Trustee a certificate signed by an authorized officer of the Issuer confirming that the Issuer is entitled to effect the redemption and setting forth a statement of facts showing which Conditions have been satisfied. Such certificates shall be made available for inspection by the Noteholders. The Trustee shall be entitled without further action or enquiry to accept the certificate as conclusive and sufficient evidence of the contents and matters set forth therein.

9 LOSS ABSORPTION — SUBORDINATED NOTES

Each holder of Subordinated Notes shall be deemed to have authorized, directed and requested the Trustee, the Registrar and the other Agents, as the case may be, to take any and all necessary action to give effect to any Write-Down required by this Condition 9.

9.1 Principal write-down on PONV Trigger Event

This Condition 9.1 is applicable only to Subordinated Notes.

If a PONV Trigger Event occurs, the Issuer will:

- (a) deliver a Loss Absorption Event Notice to Noteholders in accordance with Condition 16 and to the Trustee and the Principal Paying Agent;

- (b) cancel any interest which is accrued and unpaid up to the relevant Loss Absorption Effective Date; and
- (c) in relation to Additional Tier 1 Notes, *pari passu* and pro rata with any other Tier 1 Loss Absorbing Instruments (where possible), or, in relation to Tier 2 Notes, *pari passu* and pro rata with any other Tier 2 Loss Absorbing Instruments and taking into account the prior loss absorption in full of Tier 1 Loss Absorbing Instruments (where possible) irrevocably, without the need for the consent of Noteholders or the Trustee, reduce the Outstanding Nominal Amount of each Note by the relevant Write-Down Amount (such reduction being referred to as a “Write-Down” and “Written Down” being construed accordingly),

subject as is otherwise required by the RBI at the relevant time. The Issuer will effect a Write-Down within 30 days of the Write-Down Amount being determined by the RBI.

If a Write-Down occurs in respect of less than the full Outstanding Nominal Amount of the Subordinated Notes, one or more further Write-Downs may occur in respect of one or more subsequent PONV Trigger Events. Once the Outstanding Nominal Amount of a Note has been Written Down pursuant to this Condition 9.1, the relevant Write-Down Amount will not be restored in any circumstances, including where the PONV Trigger Event has ceased to continue.

Following the giving of a Loss Absorption Event Notice which specifies a Write-Down of Additional Tier 1 Notes, the Issuer shall procure that a similar notice is, or has been, given in respect of each Tier 1 Loss Absorbing Instrument (in accordance with its terms), and the prevailing nominal amount of each Tier 1 Loss Absorbing Instrument outstanding (if any) is permanently written down or converted to equity on a pro rata basis with the Outstanding Nominal Amount of the Additional Tier 1 Notes, as soon as reasonably practicable following the giving of such Loss Absorption Event Notice and, where possible, within 30 days of the amount of the permanent write-down of such Tier 1 Loss Absorbing Instrument being determined by the RBI.

Following the giving of a Loss Absorption Event Notice which specifies a Write-Down of Tier 2 Notes, the Issuer shall procure that a similar notice is, or has been, given in respect of each Tier 1 Loss Absorbing Instrument and Tier 2 Loss Absorbing Instrument (in accordance with its terms), and the prevailing nominal amount of each Tier 1 Loss Absorbing Instrument outstanding (if any) is permanently written down or converted to equity in full and, the PONV Trigger Event having not been cured, the prevailing nominal amount of each Tier 2 Loss Absorbing Instrument outstanding (if any) is permanently written down or converted to equity on a pro rata basis with the Outstanding Nominal Amount of the Tier 2 Notes, as soon as reasonably practicable following the giving of such Loss Absorption Event Notice and, where possible, within 30 days of the amount of the permanent write-down of such Tier 1 Loss Absorbing Instrument or Tier 2 Loss Absorbing Instrument (as the case may be) being determined by the RBI.

For the avoidance of doubt, following any Write-Down of the Notes in accordance with these provisions the principal amount so written down will be cancelled and interest will continue to accrue only on the Outstanding Nominal Amount.

If the Issuer is amalgamated with any other bank before the Notes have been Written Down, the Notes will become, if Additional Tier 1 Notes, part of the Additional Tier 1 capital of the new bank emerging after the merger or, if Tier 2 Notes, part of the Tier 2 capital of the amalgamated bank. For the avoidance of doubt, if the Issuer is amalgamated with any other bank after the Notes have been Written Down pursuant to a PONV Trigger Event, these cannot be reinstated by the new bank emerging after the merger. If the RBI or other relevant authority decides to reconstitute the Issuer or amalgamate the Issuer with any other bank, the Issuer will be deemed as non-viable or approaching non-viability and the PONV Trigger Event will be activated. Accordingly, the Notes will be permanently Written-Down in full prior to any reconstitution or amalgamation.

Following a Write-Down due to a PONV Trigger Event having occurred, all rights of any Noteholder for payment of any amounts under or in respect of the Write-Down Amount in respect of their Notes (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, any default) shall be cancelled and not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Loss Absorption Event Notice or the Loss Absorption Effective Date and even if the PONV Trigger Event has ended.

A Write-Down due to a PONV Trigger Event shall occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.

The RBI Guidelines as at the Issue Date state that, for this purpose, a non-viable bank will be a bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the RBI unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by a bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 Capital of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. Such measures would include a permanent write-off in combination with or without other measures as considered appropriate by the RBI.

A bank facing financial difficulties and approaching a point of non-viability shall be deemed to achieve viability if within a reasonable time in the opinion of the RBI, it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including a permanent write-off or public sector injection of funds are likely to:

- (a) restore confidence of the depositors/ investors;*
- (b) improve rating/ creditworthiness of the bank and thereby improving its borrowing capacity and liquidity and reduce cost of funds; and*
- (c) augment the resource base to fund balance sheet growth in the case of fresh injection of funds.*

9.2 Principal write-down on CET1 Trigger Event

This Condition 9.2 is applicable only to Additional Tier 1 Notes.

(a) Write-Down on the occurrence of a CET1 Trigger Event

If a CET1 Trigger Event occurs, the Issuer will:

- (i) deliver a Loss Absorption Event Notice to Noteholders in accordance with Condition 16 and to the Trustee and the Principal Paying Agent;*
- (ii) cancel any interest which is accrued and unpaid on the Additional Tier 1 Notes up to the relevant Loss Absorption Effective Date; and*
- (iii) pari passu and pro rata with any other Tier 1 Loss Absorbing Instruments (where possible) irrevocably, without the need for the consent of Noteholders or the Trustee, Write-Down the Outstanding Nominal Amount of each Additional Tier 1 Note by the relevant Write-Down Amount.*

A Write-Down may occur on more than one occasion and (if applicable) the Additional Tier 1 Notes may be Written Down following one or more Reinstatements pursuant to Condition 9.2(b). Once the nominal amount of an Additional Tier 1 Note has been Written Down pursuant to this Condition 9.2, it may only be restored in accordance with Condition 9.2(b).

Following the giving of a Loss Absorption Event Notice which specifies a Write-Down of the Additional Tier 1 Notes, the Issuer shall procure that a similar notice is, or has been, given in respect of each Tier 1 Loss Absorbing Instrument (in accordance with its terms), and the prevailing nominal amount of each Tier 1 Loss

Absorbing Instrument outstanding (if any) is written down or converted to equity on a pro rata basis with the Outstanding Nominal Amount of the Additional Tier 1 Notes, as soon as reasonably practicable following the giving of such Loss Absorption Event Notice.

If the Issuer is amalgamated with any other bank before the Additional Tier 1 Notes have been Written Down, the Additional Tier 1 Notes will become part of the Additional Tier 1 capital of the new bank emerging after the merger. If the Issuer is amalgamated with any other bank after the Additional Tier 1 Notes have been Written Down pursuant to a CET1 Trigger Event, the amalgamated bank can reinstate these instruments according to its discretion, unless the Write-Down was full and permanent.

For the avoidance of doubt, a Write-Down of the Additional Tier 1 Notes on a CET1 Trigger Event is not subject to the prior loss absorption of Common Equity Tier 1 Capital of the Issuer.

The purpose of a Write-Down on occurrence of the CET1 Trigger Event shall be to shore up the capital level of the Issuer. If the Issuer or the Group breaches the CET1 Trigger Event Threshold and equity is replenished through Write-Down of the Additional Tier 1 Notes, such replenished amount of equity will be excluded from the total equity of the Issuer for the purpose of determining the proportion of earnings to be paid out as dividend in terms of rules laid down for maintaining the capital conservation buffer (as described in the RBI Guidelines). However, once the Issuer or the Group (as the case may be) has attained a total Common Equity Tier 1 Ratio of 8% without counting the replenished equity capital, from that point onwards, the Issuer may include the replenished equity capital for all purposes.

(b) Reinstatement

Following a Write-Down pursuant to Condition 9.2(a), the Outstanding Nominal Amount of the Additional Tier 1 Notes may be increased up to the Maximum Reinstatement Amount (a “**Reinstatement**”) at the Issuer’s option and subject to any conditions specified in (i) the applicable Pricing Supplement or (ii) the RBI Guidelines, or as are otherwise notified to the Issuer by the RBI, from time to time. Additional Tier 1 Notes may be subject to more than one Reinstatement. The Issuer will not reinstate the principal amount of any Tier 1 Loss Absorbing Instrument that has been written down (and which is capable under its terms of being reinstated) unless it does so on a pro rata basis with a Reinstatement on the Additional Tier 1 Notes.

The Issuer must give notice of any Reinstatement to Noteholders in accordance with Condition 16 and to the Trustee and the Principal Paying Agent at least 10 Business Days prior to such Reinstatement. The Trustee and Principal Paying Agent shall be entitled to rely absolutely on such notice, which shall be binding upon all Noteholders, Receiptholders and Couponholders.

9.3 Interpretation

In these Conditions:

- (a) “**CET1 Trigger Event**” means that the Issuer’s Common Equity Tier 1 Ratio is at or below the CET1 Trigger Event Threshold;
- (b) “**CET1 Trigger Event Threshold**” means:
 - (i) if calculated at any time prior to March 31, 2019, 5.5%; or
 - (ii) if calculated at any time from and including March 31, 2019, 6.125%;
- (c) “**Common Equity Tier 1 Ratio**” means the Common Equity Tier 1 Capital (as defined and calculated in accordance with the applicable RBI Guidelines) of the Issuer expressed as a percentage of the total risk weighted assets (as defined and calculated in accordance with the applicable RBI Guidelines) (“**RWAs**”) of the Issuer;

- (d) **“Loss Absorption Effective Date”** means the date that will be specified as such in the Loss Absorption Event Notice;
- (e) **“Loss Absorption Event Notice”** means a notice which specifies that a PONV Trigger Event or CET1 Trigger Event (as applicable) has occurred, the Write-Down Amount and the date on which the Write-Down will take effect. Any Loss Absorption Event Notice must be accompanied by a certificate signed by an authorized officer of the Issuer (as defined in Condition 8) stating that the PONV Trigger Event or CET1 Trigger Event, as relevant, has occurred. The Trustee and Principal Paying Agent shall be entitled to rely absolutely on such certificate and notice, which shall be binding upon all Noteholders, Couponholders and Receiptholders;
- (f) **“Maximum Reinstatement Amount”**, in respect of an Additional Tier 1 Note, means the Issued Nominal Amount of such Additional Tier 1 Note as reduced pursuant to: (i) any Write-Down in accordance with Condition 9.1; and (ii) any Write-Down in accordance with Condition 9.2(a) if such Write-Down has been made permanent due to a subsequent PONV Trigger Event;
- (g) **“Ordinary Share”** means an ordinary share of the Issuer;
- (h) **“PONV Trigger Event”**, in respect of the Issuer, means the earlier of:
 - (i) a decision that a write-down, without which the Issuer would become non-viable, is necessary, as determined by the RBI; and
 - (ii) the decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by the RBI;
- (i) **“Tier 1 Loss Absorbing Instrument”** means, at any time, any instrument issued directly or indirectly by the Issuer, other than the Ordinary Shares and the Notes, which (a) is eligible to qualify as Additional Tier 1 Capital pursuant to the RBI Guidelines; and (b) contains provisions relating to a write down or conversion into Ordinary Shares of the nominal amount of such instrument on the occurrence, or as a result, of a PONV Trigger Event or CET1 Trigger Event and in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied;
- (j) **“Tier 2 Loss Absorbing Instrument”** means, at any time, any instrument issued directly or indirectly by the Issuer, other than the Ordinary Shares and the Notes, which (a) is eligible to qualify as Tier 2 Capital pursuant to the RBI Guidelines; and (b) contains provisions relating to a write down or conversion into Ordinary Shares of the nominal amount of such instrument on the occurrence, or as a result, of a PONV Trigger Event or CET1 Trigger Event and in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied; and
- (k) **“Write-Down Amount”** means the amount by which the then Outstanding Nominal Amount of each Note is to be Written Down pursuant to a Write-Down, being the minimum of:
 - (i) the amount (together with the Write-Down of the other Subordinated Notes and the write-down or conversion into equity of, in the case of a Write-down of Additional Tier 1 Notes, any Tier 1 Loss Absorbing Instruments or, in the case of a Write-Down of Tier 2 Notes, any Tier 1 Loss Absorbing Instruments and Tier 2 Loss Absorbing Instruments) that:
 - (A) in the case of a Write-Down due to a PONV Trigger Event, would be sufficient to satisfy the RBI that the Issuer will not become non-viable; or

- (B) in the case of a CET1 Trigger Event, would, as determined by the Issuer in its absolute discretion, immediately return the Issuer's Common Equity Tier 1 Ratio to between the CET1 Trigger Event Threshold and 8%; and
- (ii) the amount necessary to reduce the Outstanding Nominal Amount to zero.

For the avoidance of doubt, the Write-Down Amount in the case of a Write-Down due to a PONV Trigger Event will be such amount as is required by the RBI or other relevant authority at the relevant time.

10 TAXATION

10.1 Payment without Withholding

All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of India or, in addition, if the Issuer is acting through a Specified Branch, the Specified Country, or, in each case, any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) to, or to a third party on behalf of, a holder who is liable or subject to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon for any reason other than the mere holding, use or ownership or deemed holding, use or ownership of such Note, Receipt or Coupon as a non-resident or deemed non-resident of the jurisdiction imposing such tax, duty, assessment or governmental charge or who would not be liable or subject to such withholding or deduction by making a declaration of non-residence or other similar claim for exemption (including an application for relief under any applicable double tax treaty) to the relevant tax authority;
- (b) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with India or, as the case may be, the Specified Country other than the mere holding of such Note, Receipt or Coupon, provided that (in respect of Australia) a holder is not regarded as being connected with Australia for the reason that the holder is a resident of Australia where, and to the extent that, such tax is payable by reason of section 128B(2A) of the *Income Tax Assessment Act 1936* (Australia);
- (c) to, or to a third party on behalf of, an Australian resident holder or a non-resident holder carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if that holder has not supplied an appropriate tax file number, an Australian business number or other exemption details;
- (d) to, or to a third party on behalf of, a holder who is an associate (as that term is defined in section 128F of the *Income Tax Assessment Act 1936* (Australia)) of the Issuer and the payment being sought is not, or will not be, exempt from interest withholding tax because of section 128F(6) of the *Income Tax Assessment Act 1936* (Australia);
- (e) on account of any such taxes, duties, assessments or governmental charges required to be withheld or deducted by any paying agent, collecting agent or other intermediary from a payment

on a Note, Receipt or Coupon if such payment can be made without such deduction or withholding by another paying agent, collecting agent or other intermediary; or

- (f) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7.6).

10.2 Interpretation

As used herein, the “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 16.

11 PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 10) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 11 or Condition 7.2 or any Talon which would be void pursuant to Condition 7.2.

12 EVENTS OF DEFAULT AND ENFORCEMENT

12.1 Events of Default relating to Senior Notes

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Senior Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), give notice in writing to the Issuer that each Senior Note is, and each Senior Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an “**Event of Default**”) shall occur:

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (b) if the Issuer fails to perform or observe any of its other obligations under these Conditions, the Trust Deed or the Note (AMTN) Deed Poll and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) if (i) any other present or future Indebtedness for Borrowed Money of the Issuer becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer, or (ii) any such Indebtedness for Borrowed Money is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Indebtedness for Borrowed Money other than in circumstances where (A) the Issuer is contesting in good faith in appropriate proceedings the fact that any such amount is due or (B) the Issuer is prohibited from making

payment of any such amount by the order of a court having appropriate jurisdiction, provided that the aggregate amount outstanding of the relevant Indebtedness for Borrowed Money or amounts payable under the guarantees and/or indemnities in respect of one or more events mentioned above in this Condition 12.1(c) exceeds U.S.\$25,000,000 or its equivalent in other currencies; or

- (d) if any order of the Government of India is made for the liquidation or winding up (as determined pursuant to the SBI Act) of the Issuer, save for the purposes of reorganization on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or
- (e) if the Issuer ceases or threatens to cease to carry on the whole or substantially all of its business, save for the purposes of reorganization on terms previously approved in writing by the Trustee or by an Extraordinary Resolution, or the Issuer stops or threatens to stop or suspend payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due; or
- (f) if the Issuer (or its directors) makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally; or
- (g) if a moratorium is agreed or declared by the Issuer in respect of any Indebtedness for Borrowed Money (including any obligation arising under any guarantee) of the Issuer; or
- (h) if the Issuer is or becomes entitled or subject to, or is declared by law or otherwise to be protected by immunity (sovereign or otherwise) and Condition 21.3 is held to be invalid or unenforceable; or
- (i) if a distress, attachment, execution or other legal process is levied or enforced upon or against any material part of the property, assets or revenues of the Issuer and is not either discharged or stayed within 120 days, unless, and for so long as, such levy or enforcement is being contested in good faith and by appropriate proceedings; or
- (j) if any event occurs, which, under the laws of India, has or may have an analogous effect to any of the events referred to in Conditions 12.1(e) to (g).

For the purposes of this Condition 12.1, “**Indebtedness for Borrowed Money**” means (i) any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or (ii) any borrowed money or (iii) any liability under or in respect of any acceptance or acceptance credit.

12.2 Rights of Enforcement Relating to Subordinated Notes

Pursuant to Section 45 of the State Bank of India Act, 1955, as amended, Indian statutory provisions relating to winding up do not apply to the Issuer, and it may only be placed in liquidation by order of the Government in such manner as it may direct.

If any order of the Government is made for the liquidation or winding up (as determined pursuant to the SBI Act) of the Issuer, save for the purposes of reorganization on terms previously approved by an Extraordinary Resolution of the Noteholders, the Trustee may, and if so requested in writing by the holders of at least one-fifth in Outstanding Nominal Amount of the Subordinated Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject to being indemnified and/or secured and/or pre-funded to its satisfaction) give notice to the Issuer that the Subordinated Notes are, and they shall, subject to the prior approval of the RBI having been obtained, thereupon immediately become, due or repayable at the amount provided in, or calculated in accordance with, Condition 8.6.

12.3 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

13 REPLACEMENT OF NOTES, AMTN CERTIFICATES, RECEIPTS, COUPONS AND TALONS

Should any Note (other than AMTNs), Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced subject to applicable laws, regulations and relevant stock exchange regulations at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar or the Transfer Agent (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity and/or security as the Issuer, the Principal Paying Agent and the Registrar (as the case may be) may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

Should any AMTN Certificate be lost, stolen, mutilated, defaced or destroyed, upon written notice of such having been received by the Issuer and the Australian Agent:

- (a) that AMTN Certificate will be deemed to be cancelled without any further formality; and
- (b) the Issuer will, promptly and without charge, issue and deliver, and procure the authentication by the Australian Agent of, a new AMTN Certificate to represent the holding of the AMTNs that had been represented by the original AMTN Certificate.

14 AGENTS

The names of the initial Agents and their initial specified offices are set out below.

The Issuer is entitled, with the prior written approval of the Trustee (such approval not to be unreasonably delayed), to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent and (in the case of Registered Notes other than AMTNs) a Registrar and there will at all times be an Australian Agent (in the case of AMTNs);
- (b) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority);
- (c) so long as any of the Registered Global Notes denominated in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent;

- (d) so long as the Notes are listed on the SGX-ST, if the Notes are issued in definitive form, there will at all times be a Paying Agent in Singapore unless the Issuer obtains an exemption from the SGX-ST; and
- (e) there will at all times be a Paying Agent, a Registrar and a Transfer Agent which, in respect of a payment due on any Note on or after 1 January 2019, able to receive such payment without any withholding or deduction imposed pursuant to FATCA.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7.5. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 16.

In acting under the Agency Agreement or the Australian Agency Agreement (as the case may be), the Agents (including the Australian Agent) act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation towards, or relationship of agency or trust with, any owners or holders of the Notes, Receipts, Coupons or Talons. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

15 EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 11.

16 NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading daily newspaper of general circulation in Asia or such other English language daily newspaper with general circulation in Asia as the Trustee may approve. It is expected that such publication will be made in the Asian Wall Street Journal. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange (or any other relevant authority) on which the Bearer Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes and AMTNs will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register or the A\$ Register (as the case may be) and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange and the rules of that stock exchange so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange.

All notices regarding the AMTNs will be deemed to be validly given if sent by pre-paid post or (if posted to an address overseas) by airmail to, or left at the address of, the holders (or the first named of joint holders) at their respective addresses recorded in the A\$ Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any AMTNs are admitted to trading on a stock exchange and

the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. For so long as the AMTNs are lodged in the Austraclear System there may be substituted for such publication in the *Australian Financial Review* or *The Australian* or mailing the delivery of the relevant notice to Austraclear for communication by it to the holders of beneficial interests in the AMTNs and, in addition, for so long as any AMTNs are listed on a stock exchange or admitted to trading by any other relevant authority and the rules of that stock exchange, or, as the case may be, other relevant authority so require, such notice or notices will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice will be deemed to have been given to the holders of beneficial interests in the AMTNs on the day on which the said notice was given to Austraclear.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream and/or DTC, be substituted for such publication in such newspaper(s) or such delivery by mail of the relevant notice to Euroclear and/or Clearstream and/or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange (or any other relevant authority). Any such notice shall be deemed to have been given to the holders of the Notes on the first day after the day on which the said notice was given to Euroclear and/or Clearstream and/or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes other than the AMTNs) or the Australian Agent (in the case of the AMTNs). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream and/or DTC, as the case may be, in such manner as the Principal Paying Agent, the Registrar (in the case of Registered Notes other than AMTNs) or the Australian Agent (in the case of AMTNs) and Euroclear and/or Clearstream and/or DTC, as the case may be, may approve for this purpose.

Receiptholders and Couponholders will be deemed for all purposes to have notice of the contents of any notice given to Noteholders in accordance with this Condition 16.

17 MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee. If the Trustee receives a written request by Noteholders holding at least one-tenth in nominal amount of the Notes for the time being outstanding and is indemnified and/or secured and/or prefunded to its satisfaction against all costs and expenses, the Trustee shall convene a meeting of Noteholders. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50.0% in outstanding nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the outstanding nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts, the Coupons or the Trust Deed (including, *inter alia*, modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or canceling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in outstanding nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in

outstanding nominal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than 75% of the outstanding nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of at least 75% of the outstanding nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

The Trustee (i) may (but shall not be obliged to) agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of, or to the waiver or authorization of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Notification Event shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do, provided that such power to agree any modification does not extend to any such modification as is mentioned in the proviso to paragraph 5 of the Third Schedule of the Trust Deed and (ii) may (but shall not be obliged to) agree, without any such consent as aforesaid, to any modification which in the opinion of the Trustee is of a formal, minor or technical nature or to correct a manifest error or to comply with any mandatory provisions of law. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders, the Receiptholders and the Couponholders and unless the Trustee agrees otherwise any such modification, waiver, authorisation or determination shall be notified to the Noteholders in accordance with Condition 16 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, rights, powers, authorities and discretions (including, without limitation, any modification, waiver, authorization, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 10 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 10 pursuant to the Trust Deed.

The Trustee, without the consent of the Noteholders, the Receiptholders or the Couponholders, may (but shall not be obliged to) agree with the Issuer at any time to the substitution in place of the Issuer (or of any previous substitute under this Condition 17) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of any entity owned or controlled by the Issuer, subject to (a) the Notes being unconditionally and irrevocably guaranteed by the Issuer, (b) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed being complied with.

Any such modification, waiver, authorization, determination or substitution shall be binding on the Noteholders, the Receiptholders and the Couponholders and, unless the Trustee otherwise agrees, any such modification or substitution shall be promptly notified to Noteholders by the Issuer in accordance with Condition 16.

Any modification or substitution in accordance with this Condition 17 is subject to the prior approval of the RBI (if required) having been obtained by the Issuer for such modification or substitution. The Trustee shall have no obligation or duty in obtaining any such approval or in complying with RBI requirements in connection with the exercise by it of any of its trusts, powers, authorities and discretions.

18 INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer or any person or body corporate associated with the Issuer and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer or any person or body corporate associated with the Issuer, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

19 FURTHER ISSUES

The Issuer shall be at liberty from time to time (but subject always to the provisions of the Trust Deed) without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

20 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

21 GOVERNING LAW OF NOTES OTHER THAN AMTNS AND SUBMISSION TO JURISDICTION

This Condition 21 does not apply to AMTNS.

21.1 Governing law

The Trust Deed, the Agency Agreement, the Notes, the Receipts, the Coupons and any non-contractual obligations arising out of or in connection with these documents are governed by, and shall be construed in accordance with, English law except that Clause 2(G) of the Trust Deed and, in the case of Tier 2 Notes, Condition 3.2 and, in the case of Additional Tier 1 Notes, Condition 3.3, are governed by, and shall be construed in accordance with, Indian law.

21.2 Submission to Jurisdiction

- (a) Subject to Condition 21.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach

or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons (a “**Dispute**”) and accordingly each of the Issuer and the Trustee and any Noteholders, Receiptholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

- (b) For the purposes of this Condition 21.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Trustee, the Noteholders, the Receiptholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

21.3 Waiver of Immunity

The Issuer irrevocably and unconditionally with respect to any Dispute (i) waives any right to claim sovereign or other immunity from jurisdiction, recognition or enforcement and any similar argument in any jurisdiction, (ii) submits to the jurisdiction of the English courts and the courts of any other jurisdiction in relation to the recognition of any judgment or order of the English courts or the courts of any competent jurisdiction in relation to any Dispute and (iii) consents to the giving of any relief (whether by way of injunction, attachment, specific performance or other relief) or the issue of any related process, in any jurisdiction, whether before or after final judgment, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Dispute.

22 GOVERNING LAW OF AMTNS AND SUBMISSION TO JURISDICTION

22.1 Governing Law

The AMTNs, the Australian Agency Agreement and the Note (AMTN) Deed Poll shall be governed by the laws in force in New South Wales, Australia.

22.2 Jurisdiction

The courts of New South Wales, Australia and the courts of appeal from them are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with them and any suit, action or proceedings arising out of or in connection with the AMTNs, the Australian Agency Agreement and the Note (AMTN) Deed Poll (together referred to as “**Australian Proceedings**”) may be brought in such courts.

22.3 Appointment of Process Agent

For so long as any AMTNs are outstanding, the Issuer will appoint an agent in Sydney, Australia as its agent for service of process in New South Wales, Australia in respect of any Australian Proceedings as specified in the applicable Pricing Supplement, and undertakes that, in the event of such agent ceasing so to act or ceasing to be registered in New South Wales, Australia, it will appoint another person as its agent for service of process in Sydney, New South Wales, Australia in respect of any Australian Proceedings.

USE OF PROCEEDS

The net proceeds from each issue of the Notes will be used to:

- (i) meet the funding requirement of the Bank's foreign offices, including the GIFT City Branch, the Hong Kong Branch, the London Branch and the Sydney Branch and subject to the approval of the RBI, foreign subsidiaries, and to develop and expand business in these offices; and/or
- (ii) strengthen the capital base of the Bank's foreign offices, including the GIFT City Branch, the Hong Kong Branch, the London Branch and the Sydney Branch and subject to the approval of the RBI, foreign subsidiaries, with respect to the issuance of qualifying Subordinated Notes and/or to augment the Bank's capital in accordance with relevant regulatory guidelines; and/or
- (iii) meet its general corporate purposes.

The proceeds from the bonds issued under the ESG Financing Framework, as and when issued by the Issuer under the Program, will be applied in accordance with the ESG Financing Framework. See "The Issuer's ESG Financing Framework".

THE ISSUER'S ESG FINANCING FRAMEWORK

Introduction

The Environmental, Social and Governance (“**ESG**”) Financing Framework (the “**Framework**”) is proposed to be used as a handbook for the Bank’s future bond and/or loan issuance programs under Green, Social, or Sustainability criteria as defined in “Use of Proceeds”. The proceeds raised that meet such criteria shall be used for financing or refinancing SBI’s eligible assets and/or projects with environmental or social benefits, so as to extend SBI’s sustainability strategy and contribute to the sustainable development of the Indian economy. Projects eligible to receive finance/refinance are defined in the Framework, which is available on the Bank’s website.

1 Alignment with Global Principles and Guidelines

The Framework has been developed in alignment with the following Sustainable Finance principles and guidelines:

- bonds issued under the Framework shall be aligned with the International Capital Market Association (“**ICMA**”) Green Bond Principles 2021 & Appendix 1 2022, Social Bond Principles 2023 and Sustainability Bond Guidelines 2021; and
- loans issued under the Framework shall be aligned with the Loan Market Association (the “**LMA**”) Green Loan Principles 2023 and Social Loan Principles 2023,

for each Green, Social, or Sustainable instrument issued under the Framework, SBI is committed to align with the global principles and guidelines it sets in relation to the following elements:

- Use of Proceeds;
- Process for Project Evaluation and Selection;
- Management of Proceeds;
- Reporting; and
- External Review.

2 Use of Proceeds

The net proceeds raised under any bond and/or loan issuance programs issued under the Framework, or an equivalent amount, shall be used to finance or refinance, in whole or in part, projects that are consistent with the criteria below:

- Green Bond and/or Green Loan proceeds should be used exclusively for eligible Green Projects (“**Eligible Green Projects**”);
- Social Bond and/or Social Loan proceeds should be used exclusively for eligible Social Projects (“**Eligible Social Projects**”); and
- Sustainability Bond and/or Sustainability Loan proceeds should be used exclusively for a combination of Eligible Green Projects and Eligible Social Projects (together, “**Sustainable Projects**”).
- The proceeds of green bonds can also be invested in Sovereign Green Bond.

All credit portfolios falling within the scope of the Framework shall be required to be evaluated under SBI's due diligence structures and processes and only, upon being approved by the relevant competent authority, shall be reckoned for allocation under Green, Social and/or Sustainable Projects portfolios.

3 Allocation of Proceeds

SBI shall allocate, on a best-efforts basis, all the proceeds within 24 months from the date of issuance of Green, Social or Sustainable instruments under the Framework. In the case of refinancing, proceeds may be allocated to refinancing Eligible Green Projects and Eligible Social Projects that were financed up to 24 months prior to the issuance date of the relevant Green, Social and/or Sustainable instruments.

4 Eligibility Criteria

The Framework sets out eligibility criteria for Eligible Green Projects and Eligible Social Projects (the **"Eligibility Criteria"**), as well as exclusion criteria (the **"Exclusion Criteria"**). Projects must meet the Eligibility Criteria defined in the Framework, which have been aligned with the United Nations Sustainable Development Goals (the **"SDG"**), to be considered under the Framework.

5 Process for Project Evaluation and Selection

A Sustainable Finance Committee (**"SFC"**) has been set up in order to determine the eligibility of a project under the Framework and also for regular monitoring of the Green, Social or Sustainable portfolio thereunder (the **"ESG Portfolio"**).

Any project to be considered under the Framework shall have to be cleared by the SFC and shall be labeled in Core Banking Solution (**"CBS"**) for monitoring and tracking purposes. The SFC shall oversee the preparation and validation of relevant reporting for ESG instruments issued under the Framework.

6 Management of Proceeds

A labelling mechanism (flag) has been developed in CBS/Interactive dashboard for existing projects/accounts earmarked under Green, Social or Sustainable portfolio, which can be extracted through product code. The ESG Portfolio shall be regularly updated to track any repayment and/or refinancing in the asset portfolio and the new loan portfolio earmarked for the proceeds.

Unallocated proceeds, if any, shall be invested or allocated in liquid money market instruments and/or government securities as deemed fit by SBI, with strict exclusion to sectors or activities identified in the Exclusion Criteria.

7 Reporting

SBI shall provide reports on the use of proceeds (**"Allocation Reports"**) for each instrument issued under the Framework as part of SBI's Annual Sustainability Report or on a standalone basis. Allocation Reports shall be disclosed annually until full allocation and as necessary in the event of material developments. The Allocation Reports shall be made available on SBI's website.

SBI shall further provide reports on qualitative and quantitative impacts of Eligible Green Projects and Eligible Social Projects which are financed and/or refinanced through ESG instruments issued under the Framework (**"Impact Reports"**) in line with the ICMA Harmonised Framework of Impact Reporting guidelines (as such guidelines may be amended and restated). Such Impact Reports will be made available to investors via the Annual Sustainability Report of SBI.

8 External Review

SBI shall obtain and make publicly available a Second Party Opinion (a **"SPO"**) from a consultant/external auditor at the pre-issuance stage, which should contain an opinion on the environmental and social benefits of the Framework, as well as on the alignment of the proposed issuance to the ICMA Green

Bond Principles 2021, Social Bond Principles 2023, Sustainability Bond Guidelines 2021, LMA Green Loan Principles 2023 and Social Loan Principles 2023.

SBI may engage an independent third party to conduct post-issuance assurance on the allocation of proceeds and impact reporting.

The Framework may be accessed at SBI's website.

The information and materials found on SBI's website, including, without limitation, the aforementioned Framework or the SPO, are not part of or incorporated by reference into this Offering Circular.

CAPITALIZATION

The following table sets out the Bank's capitalization (on a standalone basis) as of March 31, 2025, derived from the Bank's unaudited standalone financial statements, which have been prepared in accordance with Indian GAAP and reviewed by the Bank's statutory auditors. This table should be read in conjunction with the Bank's financial statements as of March 31, 2025 as well as the schedules and notes thereto presented elsewhere herein.

	As of March 31, 2025	
	<i>(Rs. in millions, except %)</i>	<i>(U.S.\$ in millions)⁽¹⁾</i>
Short-term liabilities		
Deposits due to banks ⁽²⁾	45,118.92	527.86
Other deposits ⁽²⁾	3,714,361.73	43,455.53
Demand liabilities	17,079,295.19	199,816.26
Total	20,838,775.84	243,799.66
Long-term liabilities		
Term deposits ⁽³⁾	32,983,119.44	385,880.31
Other liabilities ⁽⁴⁾	2,891,290.97	33,826.16
Total	35,874,410.41	419,706.47
Borrowings⁽⁵⁾	5,635,725.24	65,934.19
Total⁽⁶⁾	62,348,911.49	729,440.32
Shareholders' funds		
Share capital ⁽⁷⁾	8,924.62	104.41
Reserves and surplus	4,402,696.58	51,508.59
Total shareholders' funds	4,411,621.20	51,613.00
Total capitalization⁽⁸⁾	66,760,532.69	78,1053.3
Capital Adequacy Ratio (Basel III)		
Tier I	12.11%	
Tier II	2.14%	
Total Capital Adequacy Ratio	14.25%	

Notes:

- (1) For the reader's convenience, U.S. dollar translations of Rupee amounts have been provided based on the exchange rate of U.S.\$1.00 = Rs. 85.475 as of March 31, 2025.
- (2) Excluding term deposits.
- (3) Including current portion of term deposits.
- (4) Including interest accrued, provisions, and contingencies and other liabilities which have not been segregated as short-term or long-term.

- (5) Borrowings include short-term and long-term borrowings.
- (6) Represents the sum of short-term liabilities, long-term liabilities and borrowings.
- (7) As of March 31, 2025, there were 50,000,000,000 authorized and 8,924,620,034 outstanding and fully paid shares of Rs. 1 each.
- (8) Represents the sum of short-term liabilities, long-term liabilities, borrowings and shareholders' funds.

The Bank's consolidated contingent liabilities were Rs. 26,682.37 billion as of March 31, 2025, Rs. 23,893.21 billion as of March 31, 2024, and Rs. 18,265.74 billion as of March 31, 2023.

There has been no material change to the Bank's indebtedness and capitalization since March 31, 2025.

INVESTMENT CONSIDERATIONS

This Offering Circular contains forward-looking statements that involve risks and uncertainties. Prospective investors should carefully consider the risks described below, together with the risks described in the other sections of this Offering Circular, including the financial statements included in this Offering Circular, before making any investment decision relating to the Notes. The occurrence of any of the following events could have a material adverse effect on the Bank's business, including its ability to grow its asset portfolio, the quality of its assets, its liquidity, its financial performance, its stockholders' equity, its ability to implement its strategy and its ability to repay the interest or principal on the Notes in a timely fashion or at all.

Risks Relating to the Bank's Business

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

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

The requirement that the Bank maintain a portion of its assets in fixed income Government securities could also have a negative impact on its net interest income and net interest margin, since it typically earns interest on this portion of its assets at rates that are generally less favourable than those it receives on its other interest-earning assets. Any systemic decline in low-cost funding available in the form of current and savings account deposits would adversely impact its net interest margin. Set out 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%

The Bank is also exposed to interest rate risk through its treasury operations and banking subsidiaries. Any rise in interest rates or interest rate volatility could adversely affect its income from treasury operations or the value of its fixed income securities trading portfolio. Sudden, sharp, and sustained increases in interest rates applicable to floating rate loans could result in extension of loan maturities and higher monthly instalments due from borrowers, which in turn could lead to higher rates of default within its loan portfolio. In addition, any change in the volume of business in its treasury operations or profitability could have an adverse impact on its overall profitability. Revisions in deposit interest rates, or the introduction of higher interest rates, by competing banks, may also lead to revisions in the Bank's own deposit rates to remain competitive, which could adversely impact its 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 remained 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 those for deposits and lending. However, the rates applying to the Bank's funding (including deposits) and its lending may not move at the same time or at the same rate.

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

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

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

The Bank faces asset and liability mismatches, which could adversely affect its liquidity and, consequently, its financial condition, results of operations, and cash flows.

The Bank faces liquidity risks due to mismatches in the maturity of its assets and liabilities. Liquidity risk is the risk that the Bank either does not have sufficient financial resources available to meet its obligations as they fall due, or can secure funding 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 the Bank implements liquidity management processes to seek to mitigate and control this risk, unforeseen systemic market factors make it difficult to eliminate the risk entirely.

The Bank may rely on funding options with a short-term maturity period for extending long-term loans, which may lead to asset and liability mismatches for certain periods. Mismatches between the Bank's assets and liabilities may be further compounded in the event of pre-payments of advances by customers. Asset and liability mismatches can create liquidity surpluses or liquidity shortages and, depending on interest rate movements, such situations may adversely affect the Bank's net interest income. If the Bank is unable to obtain additional borrowings or renew its existing credit facilities for matching tenures of its loan portfolio in a timely and cost-effective manner, this may lead to further mismatches between assets and liabilities, which could adversely affect the Bank's financial condition, results of operations and cash flows.

The Bank has generated negative cash flows from operating activities in the past. Any negative cash flows from operating activities in the future would adversely affect the Bank's cash flow requirements, which may in turn adversely affect its ability to operate its business and implement its growth plans, thereby affecting its financial condition.

In Fiscal 2023, the Bank generated negative cash flow from operating activities of ₹ 913.52 billion.

The Bank 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 the Bank's ability to operate its business and implement its growth plans. As a result, the Bank's cash flows, business, future financial performance, and results of operations could be materially and adversely affected. The Bank may not generate sufficient revenue for various reasons, including increasing competition, a challenging macroeconomic environment, as well as other risks discussed elsewhere in this Offering Circular. If the Bank fails to sustain or increase profitability, its business, results of operations, and cash flows could be adversely affected.

The Bank's primary source of funding is in the form of deposits. If the Bank is unable to secure funding on acceptable terms and at competitive rates when needed, there could be a material, adverse effect on its business, financial condition, results of operations and cash flows.

The Bank's funding requirements are met primarily through short-term and medium-term customer deposits. In the past, a substantial portion of its customer term deposits has been rolled over upon maturity and has been a stable source of funding. However, if a substantial number of the Bank's depositors do not roll over term deposits upon maturity, its liquidity position will be adversely affected. Although retail deposits constitute a significant part of the Bank's deposit base, the Bank also accepts high value deposits depending on funding requirements. Set forth below are details regarding the Bank's top 20 largest depositors as of the corresponding dates:

	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%

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

The Bank cannot guarantee that there will not be any premature withdrawal or non-renewal of deposits from these or other depositors. If depositors do not renew their deposits or if the Bank is unable to raise new deposits, the Bank may face a liquidity problem and may be required to pay higher rates of interest to attract deposits, which could adversely affect the Bank's results of operations. Additionally, there has been a general trend wherein people are investing in markets as compared to bank deposits due to better returns. The Bank may also be required to seek funding from more expensive sources to finance the Bank's operations. Failure to obtain these sources of funding or replace them with other deposits or borrowings at competitive rates may materially and adversely affect the Bank's business, financial condition and results of operations.

The Bank is exposed to various categories of borrowers, depositors, and industry sectors. A default by any large borrower, premature withdrawal of deposits, or a deterioration in the performance of any of the industry sectors in which it has significant exposure would adversely affect its results of operations, the quality of its portfolio, and its financial condition.

The Bank conducts business with certain borrowers who have highly leveraged balance sheets, and any default by these borrowers would have a significant impact on its profitability. Aggregate advances to the Bank's 20 largest borrowers as of March 31, 2025 amounted to ₹4,000.81 billion, representing 9.48 per cent of the

Bank's total gross advances. The Bank is also subject to limitations on its exposure to single counterparties and, as of March 31, 2025, was in compliance with the RBI circular dated June 3, 2019 on the large exposures framework.

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

Set forth below are details of deposits from the Bank's top 20 depositors as of the corresponding dates:

	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%

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

The Bank cannot assure investors 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, the Bank's business, results of operations, and financial condition may be adversely affected.

In addition, the Bank offers loans to a wide range of industries and businesses. Its largest outstanding advances were to the infrastructure sector, services sector, petroleum and petrochemicals sector, commercial real estate sector, 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, representing 11.03 per cent, 13.92 per cent, 1.83 per cent, 1.94 per cent, and 1.76 per cent, respectively, of its total domestic advances of ₹36,016.20 billion as of March 31, 2025. Any financial difficulties experienced by its customers or by particular sectors of the Indian economy—specifically the abovementioned sectors to which the Bank has historically had and continues to have significant exposure—due to factors outside its control could significantly increase its levels of NPAs and adversely affect its business and future financial performance.

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

As a result of Indian reserve requirements, the Bank is more structurally exposed to interest rate risk than banks in many other countries. Under RBI regulation, the Bank's liabilities are subject to the statutory liquidity ratio (the "SLR") requirement, which requires that a minimum specified percentage of a bank's demand and term liabilities be invested in approved securities. The RBI may increase the SLR requirements to curb inflation or absorb excess liquidity. The SLR is presently 18%. For further information, see "Regulations and Supervision — Legal Reserve Requirements".

The SLR requirements are subject to increases by the RBI in order to curb inflation or absorb excess liquidity. The SLR has been reduced to 18% with effect from April 11, 2020. See "Regulation and Supervision — Legal Reserve Requirements." As of March 31, 2025, Government securities represented 81.91% of the Bank's domestic investment portfolio and comprised 25.10% of the Bank's demand and term liabilities. The Bank earns interest on such Government securities at rates which are less favorable than those which it typically receives in respect of its retail and corporate loan portfolio, which impacts the Bank's net interest income and

net interest margin. In addition, the market and accounting value of such securities could be adversely affected by overall rising interest rates.

As of March 31, 2025, 86.76% of the Bank's Government securities portfolio, amounting to Rs. 11,510 billion, was held under the "Held to Maturity" portfolio. Although many of these Government securities are short-term in nature, the market value of the Bank's holdings could decrease if interest rates increase. Under such a scenario, the Bank would face a choice to either liquidate its investments and realize a loss or hold the securities and possibly be required to recognize an accounting loss upon marking to market the value of such investments, either of which outcomes could adversely impact its results of operations.

A substantial portion of the Bank's income is derived from its Government operations, a slowdown in which could adversely affect the Bank's business. The Government generates significant business activity in the economy. For Fiscal 2025, the Bank's total Government business turnover was ₹ 65,152.25 billion and the Bank earned commission from Government transactions of ₹ 39.14 billion, representing 12.66 per cent of the Bank's other (non-interest) income (i.e., commission, exchange and brokerage commission). For Fiscal 2025, the Bank's market share of Government business was over 62 per cent and included such transactions as handling payments and receipts for the Central and State Governments. The Bank has been able to retain its position as the market leader in government banking business. While the Bank has enjoyed a strong working relationship with the Government in the past, there is no assurance that such a strong working relationship will continue in future.

For example, on 1 July 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 9 April 2015 on allowing further authorisation of Government business to private sector banks, and the 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, 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 utilise the merged bank for handling Government business to a greater extent than was the case for the three public sector banks prior to the merger, this may negatively impact the Bank's market share of Government business. The Government is not obligated to choose the Bank to conduct any of its transactions. If the Bank cannot successfully compete with private banks for Government business, or the Government chooses other public sector banks to conduct transactions currently performed by the Bank, or if the rates paid by the Government to the dealing banks decline, the Bank's business and/or the income derived from its Government operations will be adversely affected.

A substantial portion of the Bank's income is derived from non-banking activities and fee-based services. The Bank's financial performance may be materially and adversely affected by an inability to generate and sustain such income.

The Bank has, over the years, expanded its operations from undertaking banking activities to providing certain non-banking and fee and commission-based services. Its fees from commissions, exchanges and brokerage services increased from Rs. 262.45 billion in Fiscal Year 2022- 2023 to Rs. 281.26 billion in Fiscal Year 2023- 2024 and Rs. 309.19 billion in Fiscal Year 2024- 2025, which accounted for 6.68%, 6.03% and 5.90% of the Bank's total income in Fiscals 2023, 2024 and 2025, respectively. The Bank's non-banking activities through the Bank's subsidiaries, joint ventures and associates mainly include life insurance, general insurance, private equity, merchant banking, asset management, cards and payment, etc.

The Bank earns fee-based income from corporate agency services, which include marketing and distribution of insurance products. Fee-based income is also earned as part of its foreign exchange business. From time to time, the Bank holds assets on its balance sheet which may subject to market risk and credit risk. There can be no assurance that the Bank 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 the Bank 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 the Bank is unable to successfully diversify its 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 its business, financial condition and results of operations.

The Bank distributes third-party products, such as mutual funds, brokerage and insurance products. The Bank's inability to effectively manage any of these businesses may adversely affect its business, results of operation and financial condition.

In order to grow the Bank's non-interest income, it distributes third-party products, such as, amongst others, mutual funds and insurance products. The Bank has engaged with various third-party product companies to distribute such products. However, the Bank has 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 the Bank and adversely impact its brand and reputation. Further, in case customers to whom such products are sold, experience deficiency of service or are otherwise aggrieved, the Bank may be subject to litigation or claims for damages by such aggrieved customers, which could have an adverse effect on the Bank's reputation and its business, financial position and results of operations.

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

The Bank enters into outsourcing arrangements with third parties in compliance with the RBI guidelines on outsourcing. These third parties provide various services including, among others, automated teller machine (ATM) and card-related services, business correspondent services, facility management services related to information technology, software services and call centre services. The Bank outsources several services through its customer care centre, such as its call centre and doorstep banking. During Fiscal 2023, 2024 and 2025, there have been no material failures by third parties in performing their contractual obligations in respect of these services. The Bank is also dependent on various vendors for certain non-core elements of its operations, including implementation of information technology (IT) infrastructure and hardware, branch roll-outs, networking, management of its data centre, and back-up support for disaster recovery.

As a result of outsourcing such services, the Bank is 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 or confidentiality, or non-compliance with legal and regulatory requirements, may result in financial loss or loss of reputation. The Bank cannot assure investors that there will be no disruptions in the provision of such services or that these third parties will adhere to their contractual obligations. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreement with the Bank, its business, financial condition and results of operations will be adversely affected. In case of any dispute, the Bank cannot assure investors that the terms of such agreements will not be breached, which may result in litigation costs. Such additional costs, in addition to the cost of entering into agreements with third parties in the same industry, may materially and adversely affect the Bank's

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 place obligations on banks, their directors and senior management for ultimate responsibility for the outsourced activity. Banks are required to provide prior approval for the use of subcontractors by outsourced vendors, to review the subcontracting arrangements, and to ensure that such arrangements are compliant with the aforementioned RBI guidelines. Legal risks, including actions being undertaken by the RBI if the Bank's third-party service providers act unethically or unlawfully, could adversely affect the Bank's business, financial condition and results of operations.

The Bank is exposed to risks derived from the performance of its subsidiaries, joint ventures and associates, including its asset management and credit card business related subsidiaries, which contribute significantly to its consolidated results.

As of March 31, 2025, we have 29 subsidiaries, 8 joint ventures and 4 associates (excluding Regional Rural Banks). The 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 the Bank's consolidated financial condition and results of operation. Such adverse changes could similarly also affect the Bank's life insurance subsidiary, SBI Life.

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.

The Bank's business and financial condition may be adversely affected in case of an increase in the level of non-performing assets in its portfolio or RBI mandated provisioning requirements.

The Bank's level of non-performing assets ("NPAs") is influenced by a range of factors, including prevailing macroeconomic conditions, increased competition, changes in the business and financial position of its borrowers, rising unemployment rates, high levels of debt involved in project financing, and significant borrowings by companies in India at relatively high interest rates. Any significant increase in NPAs may have a material adverse effect on its financial condition and results of operations. A material increase in its NPAs may also require higher provisioning in line with Reserve Bank of India (RBI) requirements, which could adversely affect its 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%

Particulars	As of March 31,		
	2023	2024	2025
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 the Bank's loan portfolio contains loans to a wide variety of businesses, financial difficulties experienced by its customers, or by sectors or industries of the Indian economy to which it has exposure, could increase its level of non-performing assets and adversely affect its business, future financial performance, and the trading price of its equity shares. Notably, the Bank's largest provisions for NPAs are to the trading, roads and ports, and food processing industries.

Additionally, if the systems and processes established by the Bank to identify non-performing assets (NPAs) fail or are unable to identify NPAs correctly and in a timely manner, its financial position could be adversely affected. There can be no assurance that its systems and processes will always function appropriately or correctly in order to identify NPAs in a timely manner, or that similar deficiencies will not arise in future.

Provisions for NPAs are created by a charge to the Bank's profit and loss account and are currently subject to minimum provisioning requirements linked to the ageing of NPAs. In addition to the relevant regulatory minimum provisioning prescribed by the RBI, the Bank also considers its internal estimate for loan losses and risks inherent in its credit portfolio when deciding on the appropriate level of provisions. Determining a suitable level of loan losses and provisions involves a degree of subjectivity and requires the Bank to 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 provisions not being adequate to cover any further increase in the amount of NPAs or any further deterioration in its NPA portfolio. The Bank cannot assure that the NPAs it reports in future will be as assessed by any regulatory authority, or that it will not be subject to increased provisioning requirements. Any future increases in provisions mandated by the RBI or other regulatory changes, or increases in provisioning requirements as a result of divergences identified by the RBI, could therefore have an adverse impact on its business, future financial performance, and the trading price of its equity shares.

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

The Bank is 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. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom the Bank interacts on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect the Bank's business and the trading price of the Notes. As the Indian financial system operates within an emerging market, the Bank faces 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. See "Overview of the Indian Financial Sector."

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

As of March 31, 2025, the Bank's total exposure to borrowers (fund-based, including derivatives, investments and non-fund-based, including guarantees) was Rs. 61,655.26 billion. The 20 largest borrowers in aggregate accounted for 11.50% of the Bank's total exposure as of March 31, 2025. The largest individual

borrower as of March 31, 2025 accounted for 0.13% of the Bank's total capital funds (tier 1 and tier 2 capital). The largest individual borrower group as of March 31, 2025 accounted for 0.21% of the Bank's total capital funds. Credit losses on these large single borrower and group exposures could adversely affect the Bank's financial performance and the trading price of the Notes.

If any of the Bank's key borrowers default or become non-performing, the Bank's exposure to credit risk would increase, and its net profits would decline and, due to the scale of the exposures, the Bank's ability to meet capital requirements could be risked. The Bank cannot assure you that these 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. In addition, the RBI guidelines, and the Bank's focus on controlling and reducing concentration risk, may restrict the Bank's ability to grow the Bank's business with some customers, thereby impacting the Bank's earnings.

In addition, the Bank offers loans to a wide range of industries and businesses. The Bank's largest outstanding were to the infrastructure sector, services sector, petroleum & petrochemicals sector, commercial real estate and iron & steel sector at Rs. 3,973.20 billion, Rs. 5,013.48 billion, Rs. 657.73 billion, Rs. 699.55 billion and Rs. 634.17 billion respectively, that represented 22.75%, 28.70%, 4.01%, 3.77% and 3.66%, respectively, of the Bank's total advances i.e., ₹ 17,466.18 billion, as of March 31, 2025. Any financial difficulties experienced by the Bank's customers or by particular sectors of the Indian economy to which the Bank has historically had and continue to have significant exposure, due to factors outside the Bank's control could significantly increase the Bank's NPA levels and adversely affect the Bank's business, future financial performance and the price of the Notes.

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

As of March 31, 2025, 2024 and 2023, the Bank's gross NPAs represented 1.82%, 2.24% and 2.78% of gross customer assets, respectively, while net NPAs represented 0.47%, 0.57% and 0.67%, respectively, of net customer assets as of such dates. As of March 31, 2025, 2024 and 2023, the Bank had provided for 92.08%, 91.89% and 91.91%, respectively, of its total NPAs (including prudential write-offs) pursuant to applicable regulatory guidelines and the quality of security available to the Bank. If the level of NPAs in the Bank's portfolio increases, or if there is any deterioration in the quality of the Bank's security or further aging of the assets after being classified as non-performing, an increase in provisions will be required. This increase in provisions may adversely impact the Bank's financial performance and the trading price of the Notes.

There can be no assurance that the percentage of the face value of the NPAs that the Bank will be able to recover will be similar to the Bank's past experience of recoveries of NPAs. The Bank's retail loan portfolio has grown in recent years, but there is limited data on historical loss ratios in retail loans, especially in the event of an economic slowdown.

There can be no assurance that the RBI will not increase provisioning requirements. In 2009, the RBI adopted rules requiring banks to increase their provisioning coverage ratio ("**PCR**") to 70.0% of their gross NPA position. In order to achieve this ratio, the Bank made provisions of Rs. 23.3 billion in fiscal year 2011 and Rs. 11.0 billion during the first two quarters of fiscal year 2012 as counter-cyclical provision. While the RBI has since relaxed this requirement, there can be no assurance that provisioning requirements will not increase in future. The Bank's PCR as of March 31, 2025, 2024 and 2023, was 92.08%, 91.89% and 91.91%, respectively. The surplus from the provisioning under the PCR as against the provisioning required under the prudential provisioning norms is to be segregated into an account named counter-cyclical provisioning buffer. Any future RBI-mandated increases in provisions or other regulatory changes could lead to an adverse impact on the Bank's business, future financial performance and the trading price of the Notes. See "*Regulation and Supervision — Prudential norms on income recognition, asset classification and provisioning pertaining to advances.*"

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

The Bank's standard assets include restructured standard loans. As of March 31, 2023, 2024 and 2025, the Bank's total restructured standard assets amounted to ₹ 347.44 billion, ₹ 338.41 billion and ₹ 241.45 billion and as a proportion of the Bank's gross advances were 1.06%, 0.90% and 0.57% respectively. As a result of rising interest rates and the limited ability of corporations to access capital due to the volatility in global markets, there has been an increase in restructured loans in the banking system as well as in the Bank's portfolio since fiscal year 2012. The loan portfolio of the Bank's international branches and subsidiaries includes foreign currency loans to Indian companies for their Indian operations (as permitted by regulation) as well as for their overseas ventures, including cross-border acquisitions. This exposes the Bank to specific additional risks, including the failure of the acquired entities to perform as expected and the Bank's inexperience in various aspects of the economic and legal framework in overseas markets. Economic and project implementation challenges in India and overseas, could result in additions to restructured loans and the Bank may not be able to control or reduce the level of restructured loans in its project and corporate finance portfolio.

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

The insolvency laws of India may differ from other jurisdictions with which holders of Notes are familiar.

The Insolvency and Bankruptcy Code ("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 the Bank's debtors, the Bank may not have complete control over the recovery of amounts due to it. Under the IBC, upon invocation of an insolvency resolution process, a committee of creditors ("CoC") 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 CoC 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 the CoC 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 National Company Law Tribunal under the IBC, against any of the corporate debtors of the Bank, then it may affect the Bank's ability to recover amounts due under the loans made available to 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 the IBC are invoked against any of the Bank's customers, it may affect the Bank's ability to recover its loans from the customers and enforcement of its rights will be subject to the IBC.

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

A substantial portion of the Bank's loans to corporate customers is secured by real assets, including property, plant and equipment. The Bank's loans to corporate customers also include working capital credit facilities that are typically secured by a first charge on inventory, receivables and other current assets. In some cases, the Bank may have taken further security of a first or second charge on fixed assets, including investments in immovable properties and a pledge of financial assets like marketable securities, corporate guarantees and personal guarantees. A substantial portion of the Bank's loans to retail customers is also secured by the financed assets, predominantly property and vehicles. However, an economic downturn could result in a fall in the value of the collateral securing the Bank's loans. In addition, in India, foreclosure on immovable property generally requires a written petition to an Indian court or tribunal. An application, when made, may be subject to delays and administrative requirements that may result in, or be accompanied by, a decrease in the value of the immovable property. Security created on shares of a borrower can be enforced without court proceedings. However, there can be delays in realization in the event that the borrower challenges the enforcement in an Indian court. In the event that a corporate borrower makes a reference to the specialized judicial authority called the National Company Law Tribunal (the "NCLT") under the Insolvency and Bankruptcy Code 2016 (the "IBC"), foreclosure and enforceability of collateral may be stayed.

The IBC provides for a time-bound mechanism to resolve stressed assets. The process of resolution of accounts referred to under the IBC is still evolving, with periodic amendments being incorporated through both legislation and judicial decisions. This could delay the resolution of accounts which have been referred for resolution under the IBC. Should the resolution of accounts not be achieved within the stipulated time of 180 days (extendable to a maximum period of 330 days, including a period of extension and time taken in legal proceedings), the corporate debtor will go into compulsory liquidation, and the market value of the collateral may decrease, thus impacting the recovery of dues by lenders. While the time provided for recovery under liquidation is one year, the actual time of recovery may be longer as India is gradually developing an efficient secondary market for such distressed and second hand assets.

The RBI issued "Prudential Framework for Resolution of Stressed Assets by Banks" (the "**Framework**") on June 7, 2019 with a view to providing a framework for early recognition, reporting and time-bound resolution of stressed assets. These directions have been issued without prejudice to the issuance of specific directions, by the RBI to banks, in terms of the provisions of Section 35AA of the Banking Regulation Act as amended (the "**Banking Regulation Act**"), for initiation of insolvency proceedings against specific borrowers under the Insolvency and Bankruptcy Code. The RBI has further mandated that the extant instructions on resolution of stressed assets, including the Resolution of Stressed Assets Framework for Revitalizing Distressed Assets and Corporate Debt Restructuring Scheme stand withdrawn with immediate effect.

With effect from June 7, 2019, the Framework required banks to implement a plan to resolve any overdue account where the aggregate exposure of the lenders is Rs. 20.0 billion or more, within 210 days, failing which the borrower would have to be referred for resolution under the Insolvency and Bankruptcy Code. For borrowers with an exposure of Rs. 15.0 billion up to Rs. 20.0 billion, the cut-off date for resolution is January 1, 2020. Under the Framework, the RBI formalized an inter-creditor agreement ("**ICA**") framework and made it mandatory, not only for all lenders in consortium or syndicate but also for asset reconstruction companies and,

or NBFCs. Other regulators such as SEBI and Insurance Regulatory Authority of India have recently issued instructions and guidelines for regulated entities such as mutual funds, bond trustees, and insurance companies to join the ICA framework for a quick resolution.

The Framework has been consolidated in terms of the Master Circular – Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances which was notified by the RBI on April 1, 2025.

Further, a resolution plan proposed in respect of a borrower is required to be approved by only 75.0% of the lenders by value and 60.0% by number, as against unanimous approval from all lenders under the previous framework. While it is expected that these changes will facilitate the resolution of many large exposures in an expeditious manner without recourse to the IBC, there can be no assurance that the New Framework will result in favorable impact on the Bank's operations. However, in the event that the New Framework fails to arrive at an acceptable resolution plan within 210 days, any of the lenders can approach the NCLT for an initiation of corporate insolvency resolution process against the corporate debtor. The New Framework has provided disincentives by way of additional loan loss provision of up to 35% of the outstanding loan should the lenders defer such initiation of corporate insolvency resolution process under IBC post failure of ICA resolution.

The Supreme Court, on August 30, 2022, delivered its judgment in the case of Securities and Exchange Board of India v. Rajkumar Nagpal & Others (2022 SCC OnLine SC 1119) dealing with the rights of the debenture holders and the manner in which listed debenture holders may participate in a resolution plan under the RBI circular on Prudential Framework for Resolution of Stressed Assets. The Supreme Court held that the enabling framework provided under the Securities and Exchange Board of India (“SEBI”) circular dated October 13, 2020 on “Standardisation of procedure to be followed by Debenture Trustee(s) in case of default by Issuers of listed debt securities” (“SEBI Circular”) is mandatory and that the inter-creditor agreement (“ICA”) must be entered into if the holders of debt securities were to avail of a resolution plan under the RBI Directions. This was further crystallised by SEBI in terms of the Operational Circular for Debenture Trustees dated March 31, 2023.

The IRDA has, through a letter to the Indian Banks Association, allowed insurance companies to sign the ICA. In a reply to the Association of Mutual Funds of India's request to allow signing of ICA by mutual funds, SEBI stated that mutual funds may sign an ICA subject to certain conditions, viz. (i) mutual funds may only sign an ICA if they have already ‘side-pocketed’ i.e. created a segregated portfolio within a day from an adverse credit event (for example, default) which also requires giving an exit option to unit-holder. Any such segregation will also be subject to various requirements under SEBI's circular dated 28 December 2018; (ii) if the RP is not in consonance with SEBI's regulations or circulars governing mutual funds, they may exit the resolution process. (iii) SEBI has also given liberty to mutual funds to exit the resolution process if the RP is not implemented within 180 days. However, mutual funds may extend the timeline to a maximum of 365 days subject to approval of the board and trustees of the Asset Management Company (AMC).

The RBI has, pursuant to a press release dated June 8, 2023 for “Prudential Framework for Resolution of Stressed Assets” has proposed to: (i) issue a comprehensive regulatory framework governing compromise settlements and technical write-offs covering all regulated entities; and (ii) rationalize the extant prudential norms for implementation of resolution plans in respect of exposures affected by natural calamities, drawing upon the lessons from the resolution frameworks introduced during the COVID-19 pandemic.

With a view to provide further impetus to resolution of stressed assets in the system as well as to rationalise and harmonise the instructions across all REs, as announced in the Statement on Developmental and Regulatory Policies released on June 8, 2023, it has been decided to issue a comprehensive regulatory framework governing compromise settlements and technical write-offs covering all the regulated entities, which includes commercial banks. As per the Framework for Compromise Settlements and Technical Write- Offs dated June 8, 2023 issued by the RBI, the following key provisions have been stipulated:-

- Regulated Entities (“REs”) shall put in place Board-approved policies for undertaking compromise settlements with the borrowers as well as for technical write-offs.
- Compromise settlement for this purpose shall refer to any negotiated arrangement with the borrower to fully¹ settle the claims of the RE against the borrower in cash; it may entail some sacrifice of the amount due from the borrower on the part of the REs with corresponding waiver of claims of the RE against the borrower to that extent.
- Technical write-off for this purpose shall refer to cases where the non-performing assets remain outstanding at borrowers’ loan account level, but are written-off (fully or partially) by the RE only for accounting purposes, without involving any waiver of claims against the borrower, and without prejudice to the recovery of the same.
- The policy covers the delegation of powers for approval/sanction of compromise settlements and technical write-offs.
- In respect of compromise settlements, it shall be ensured that delegation of power for such approvals rests with an authority.
- Compromise settlements where the time for payment of the agreed settlement amount exceeds three months shall be treated as restructuring as defined in terms of the Prudential framework on Resolution of Stressed Assets dated June 7, 2019.
- In case of partial technical write-offs, the prudential requirements in respect of residual exposure, including provisioning and asset classification, shall be with reference to the original exposure, provided that the amount of provision including the amount representing partial technical write-off shall meet the extant provisioning requirements, as computed on the gross value of the asset.
- There shall be a reporting mechanism to the next higher authority, at least on a quarterly basis, with respect to compromise settlements and technical write offs approved by a particular authority. Compromise settlements and technical write-offs approved by the MD & CEO / Board Level Committee would be reported to the Board.
- The Board shall mandate a suitable reporting format so as to ensure adequate coverage of certain aspects at the minimum, viz. trend in number of accounts and amounts subjected to compromise settlement and/or technical write-off; separate breakup of accounts classified as fraud, red-Flagged, wilful default and quick mortality accounts; amount-wise, sanctioning authority-wise, and business segment / asset-class wise grouping of such accounts; (iv) extent of recovery in technically written-off accounts.
- In respect of borrowers subject to compromise settlements, there shall be a cooling period as determined by the respective Board approved policies before the REs can assume fresh exposures to such borrowers.
- Provided that:
 - (i) The cooling period in respect of exposures other than farm credit exposures shall be subject to a floor of 12 months. REs are free to stipulate higher cooling periods in terms of their Board approved policies.
 - (ii) The cooling period for farm credit exposures shall be determined by the REs as per their respective Board approved policies.
- REs may undertake compromise settlements or technical write-offs in respect of accounts categorised as wilful defaulters or fraud without prejudice to the criminal proceeding underway against such debtors.
- The compromise settlements with the borrowers under the above framework shall be without prejudice to the provisions of any other statute in force.

- Wherever REs had commenced recovery proceedings under a judicial forum and the same is pending before such judicial forum, any settlement arrived at with the borrower shall be subject to obtaining a consent decree from the concerned judicial authorities.

As of March 31, 2025, the Bank had 983 outstanding accounts in relation to IBC matters where the borrower or the bank or another creditor had made a reference under IBC and as of the same date the amount involved in such matters stood at Rs. 1208.14 billion, against which the Bank had made a provision of Rs. 1193.57 billion. Further, as of March 31, 2025, of the 1208 accounts referred to NCLT, 22 accounts were pending admission. In accordance with the RBI guidelines, no incremental provision is required on these accounts for the fiscal year 2025. The Bank may not be able to realize the full value of its collateral as a result of, among other factors, delays in bankruptcy and foreclosure proceedings (including as a result of stay orders prohibiting the lender from selling the assets of a defaulted borrower), defects in the registration of collateral and fraudulent transfers by borrowers. In addition, there is also no assurance that the Insolvency and Bankruptcy Code will continue to have a favorable impact on the Bank's efforts to resolve NPAs. A failure to recover the expected value of collateral security could expose the Bank to a potential loss and any, unexpected losses could adversely affect the Bank's business, its future financial performance and the trading price of the Notes.

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 the 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 the 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 the Bank's advances were secured by tangible assets, which collectively represented 65.72 per cent of the 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 ("NCLT") under the Insolvency and Bankruptcy Code 2016 ("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 per cent of the creditors by number and at least 75.00 per cent 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 per cent 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.

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

The Bank operates in a competitive industry. Its main competitors include private sector banks, other public sector banks and foreign banks, followed closely by non-bank financial companies ("NBFCs"), small finance banks, payment banks, insurance companies, asset management companies, development financial institutions, mutual funds and investment banks. Amalgamated public sector banks have enhanced their financial strength, management capabilities, resources, operational experience, customer base and distribution channels, thereby increasing their ability to compete with the Bank.

The Bank also faces 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, particularly in the digital business environment. As a result, the Bank may be required to adapt its business to compete more effectively. For example, non-bank financial companies, especially international technology companies and large e-commerce players, have recently increased their presence in the Indian financial sector by offering payment platforms and selected services to customers, which has heightened competitive pressures on the Bank.

Entities within the Bank's 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"), also face significant competition in their respective sectors. For instance, SBI Cards competes directly with other credit card issuers and providers of value-added payment products, which continually innovate to attract and retain customers. SBI Life faces 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 the Bank's results of operations and financial condition.

Further, technological innovation in mobility and the digitisation of financial services require banks to continually develop new and simplified models for providing banking products and services. Innovations in payment systems and increasing use of mobile banking are leading to the emergence of new platforms for cashless payments, and may allow new types of banks to expand their presence in other financial products such as insurance and mutual funds. These trends could increase competitive pressures on banks, including the Bank, to adapt to new operating models and to upgrade back-end infrastructure on an ongoing basis. Due to these and other competitive pressures, the Bank may be unable to execute its growth strategy successfully, which could adversely affect its business, financial condition and results of operations.

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

To the extent that any of the instruments and strategies the Bank uses to hedge or otherwise manage its exposure to market or credit risk are not effective, the Bank may not be able to mitigate effectively its risk exposures, in particular to market environments or against particular types of risk. The Bank's balance sheet growth depends on economic conditions, as well as on its decisions to sell, purchase, securitize or syndicate particular loans or loan portfolios. The Bank's trading revenues and interest rate risk exposure depend on its ability to properly identify, and mark to market, changes in the value of financial instruments caused by changes in market prices or rates. The Bank's earnings also depend on the effectiveness of its management of migrations

in credit quality and risk concentrations, the accuracy of its valuation models and its significant accounting estimates and the adequacy of its allowances for loan losses. To the extent that its assessments, assumptions or estimates prove inaccurate or not predictive of actual results, the Bank could suffer higher than anticipated losses. The successful management of credit, market and operational risk is an important consideration in managing its liquidity risk because it affects the evaluation of its credit ratings by rating agencies. As of the date of this Offering Circular, the Bank is rated “BBB- Positive” by S&P Global Ratings, “Baa3 Stable” by Moody’s and “BBB-/Stable” by Fitch Ratings. Rating agencies may reduce or indicate their intention to reduce the ratings at any time. See also “*Investment Considerations — Risks Relating to India — A downgrade in ratings of India, the Indian banking sector or the Bank may affect the trading price of the Notes.*” The rating agencies can also decide to withdraw their ratings altogether, which may have the same effect as a reduction in its ratings. Any reduction in the Bank’s ratings (or withdrawal of ratings) may increase its borrowing costs, limit its access to capital markets and adversely affect its ability to sell or market its products, engage in business transactions, particularly longer-term and derivatives transactions, or retain its customers. This, in turn, could reduce its liquidity and negatively impact its operating results and financial condition.

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

The Bank is 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 19,400 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 per cent of advances and 57.22 per cent of deposits in Fiscal 2025. An inability to maintain an effective internal audit system or adequate procedures by the Bank’s officials in the audit of its financial statements may affect the reliability of its financial statements.

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

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

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

The Bank’s credit exposure to corporate borrowers is divided among various industry sectors, the most significant of which are infrastructure, iron and steel, petroleum & petrochemicals, commercial real estate, textiles and others. As of March 31, 2025, the top five industry sectors accounted for 17.66% of the Bank’s outstanding domestic fund-based loans.

The table below sets out the Bank’s five largest domestic industry exposures (fund-based, excluding agriculture, retail and services) as of March 31, 2025.

Industry	As of March 31, 2025	
	(Rs. in billions)	(%)
Infrastructure.....	3,973.2	11.03

Industry	As of March 31, 2025	
	(Rs. in billions)	(%)
Comm. Real Estate.....	699.55	1.94
Petroleum & Petrochemicals.....	657.73	1.83
Iron and steel.....	634.17	1.76
Textiles.....	397.54	1.10
Others.....	29,654.01	82.34
Total Domestic Advances.....	36,016.2	100

The global and domestic trends in these industrial sectors may have a bearing on the Bank's gross financial position.

The Bank is exposed to risks of significant deterioration in the performance of a particular sector, which may be driven by events not within the Bank's control. Regulatory action or policy announcements by the Central or State Government authorities may also adversely impact the profitability of an industry and, therefore, the ability of borrowers in that industry to service their debt obligations, which could adversely affect the Bank's business and operating results. For instance, weakened financial performance by key players in an industry, such as in the infrastructure sector, could materially impact the industry as a whole as well as the financial market. See *"Investment Considerations — Risks Relating to India — Financial difficulties and other problems in certain financial institutions in India could adversely affect the Bank's business and the trading price of the Notes."* Increasing competition from other economies such as Bangladesh, Cambodia and Sri Lanka has softened the demand for India's textile export, which contributes to the significant portion of the Bank's exposure to the textile sector coming under stress. Although the Bank's portfolio contains loans to a wide variety of businesses, financial difficulties in these industry sectors may increase the level of NPAs and restructured assets, and adversely affect the Bank's business, its future financial performance, shareholders' funds and the trading price of the Notes.

The Bank's 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.

The Bank's income from treasury operations is subject to volatility resulting from changes in interest rates, fluctuations in foreign currency exchange rates and other market factors. As of March 31, 2025, the Bank had an investment book of Rs. 16,906 billion, of which 95.62% are domestic investments carried out by our Global Markets Unit (GMU). Within the domestic investment portfolio, 75.08% is in HTM category while the rest is under AFS, FVTPL-HFT, FVTPL-NHFT and A&S category. 6.98% of offshore Investment book is in HTM and rest are under AFS, FVTPL-HFT, JV subsidiaries.

Any rise in interest rates exposes the portfolio to adverse impacts from mark-to-market valuation, and may, in certain circumstances, require the Bank to mark down the value of these investments on its balance sheet and recognise a loss in its income statement. An increase in interest rates leading to a fall in the market value of debentures or bonds could materially and adversely affect the Bank's business, financial condition and results of operations. Additionally, the illiquidity in the market for certain debt investments can contribute further to income volatility if the Bank is unable to dispose of these assets efficiently.

While the Bank monitors gross non-performing investments and actively pursues recoveries, any increase in non-performing investments as a result of adverse developments in domestic or international markets could negatively impact the Bank's financial condition.

The Bank's derivative portfolio is also subject to fluctuations in interest rates and foreign exchange rates. Movements in these rates may require the Bank to mark down the value of its derivatives portfolio. Similarly, although the Bank's investment in corporate debt instruments forms part of its ordinary business operations, there is exposure to the risk of issuer default. Changes in corporate bond spreads can further affect valuations and result in valuation losses.

The Bank has established risk and operational controls for treasury operations, including sensitivity limits, value-at-risk limits, position limits, stop-loss limits and exposure limits, which are designed to mitigate the extent of potential losses. However, there can be no assurance that losses will not occur in the course of trading on the fixed income book within the held-for-trading and available-for-sale portfolio. Any such losses could materially and adversely affect the Bank's business, financial condition, results of operations and prospects.

The Bank's 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 its business and financial condition. Further, any farm loan waiver programmes may have an adverse effect on the Bank's business and financial condition.

The Bank's 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 its business and financial condition. Further, any farm loan waiver programmes may have an adverse effect on its business and financial condition. The Bank's loan portfolio contains advances to the agricultural sector amounting to ₹3,485.24 billion (that is, 8.25 per cent of its 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 the Bank's business and financial condition. For example, any major floods or droughts in the country would negatively impact borrowers in the affected regions and, in turn, affect their ability to make timely payment on their loans. In addition, the Government's proposed agricultural lending plans may contemplate state-owned banks, including the Bank, lending at below-market rates in the agricultural sector. As of March 31, 2025, 38 per cent of the Bank's non-performing assets (NPAs) arise from the agriculture segment. The *Master Directions - Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2025* stipulate that the Bank's agricultural advances be 18.00 per cent of its adjusted net bank credit, and the Bank's objective is to increase agricultural lending to achieve this benchmark. However, there can be no assurance that the Bank will be able to increase its agricultural lending to meet such benchmark within the required timeline. The Bank's exposure to the agricultural sector involves higher risks, which may negatively affect its cost of funding, and adversely affect its business, future financial performance and the trading price of the Notes.

Recently, several Indian states have announced farm loan waiver programmes. 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 the Bank, while such banks wait for reimbursement of the waived loans from the relevant state government. In addition to a loss of short-term liquidity for affected banks, such farm loan waivers may have a negative impact on borrower behaviour, for example, by reducing farmers' willingness to make repayments if they anticipate further loan waivers. The farm loan waiver programmes may have an adverse impact on the banking sector as a whole as well as the Bank's business, future financial performance and the trading price of the Notes.

The Bank's loan portfolio contains significant exposures to home loans which could increase its exposure to credit risk and risk of borrowers being unable to pay their loans on time.

The Bank's loan portfolio contains significant exposure to home loans, amounting to Rs. 8,307.63 billion, or 23.07% of the Bank's domestic advances, as of March 31, 2025. This was an increase of 14.46% compared to March 31, 2024 level. As of March 31, 2025, 97.61% of the Bank's loans were secured by tangible assets, 0.42% of the loans were covered by the Bank's or Government guarantees, with remaining 1.97% of the Bank's loans unsecured. Repayment of these loans depends on various factors, including the health of the overall economy, whether its borrowers are able to repay the Bank, whether builders and developers are able to complete their projects on time and prevailing residential real estate prices. These and other factors could lead to an increase in impairment losses, and the Bank's financial condition and results of operations may be adversely affected.

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

The Bank's principal business is providing financing to its clients, most of whom are based in India. The credit risk profiles of the Bank's borrowers differ significantly from those of borrowers at most banks in developed countries due to factors such as a high level of uncertainty in the Indian regulatory, political, economic and industrial environment, and challenges that many borrowers face in adapting to global market instability and technological advances worldwide. These factors may affect the quality of information available to the Bank about its borrowers' credit history, particularly for individuals and small businesses.

Several of the Bank's corporate borrowers have historically experienced low profitability owing to factors such as increased competition following economic liberalisation in India, variable industrial growth, sharp declines in commodity prices, high levels of debt in project financing and company capital structures, and elevated interest rates prevailing during the period many projects were initiated. Loans to small and medium enterprises (SMEs) are expected to be more vulnerable to adverse developments in the Indian economy than loans to large corporations. An economic slowdown and a general decline in business activity in India could place further pressure on SME borrowers' financial soundness and profitability, thereby increasing the Bank's credit risk exposure. The Bank is subject to the risk that its borrowers may not make timely repayments—or may default entirely—leading to an increase in its non-performing assets, which could adversely impact the Bank's profitability, results of operations, cash flows and financial condition.

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

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

In addition, as of March 31, 2025, loans with an outstanding tenor exceeding one year constituted 80.13 per cent of the Bank's total standard domestic advances. The long tenor of these loans may expose the Bank to risks arising from economic cycles, thereby exposing it to liquidity risks.

Some of the Bank's offices, branches and ATMs are located on premises taken by the Bank on lease. The Bank may not be able to renew these agreements for its branches upon acceptable terms or at all which could have an adverse effect on its business and results of operations.

Some of the Bank's offices, branches and ATMs are located on premises taken by it on lease. Some of the lease or leave and licence agreements may have expired in the ordinary course of business. In case of non-renewal of its leases or if such agreements are renewed on unfavourable terms and conditions, the Bank may be forced to procure alternative space for its existing branches and incur additional costs in such relocation. The Bank is currently in the process of negotiating renewals or shifting premises, as applicable. The Bank may also face the risk of being evicted in the event that its landlords allege a breach on its part of any terms under these lease or licence agreements. This may cause a disruption in the Bank's operations or result in increased costs, or both, which may materially and adversely affect its 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 the Bank's 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 the Bank's operations and business. Although the Bank procures space that satisfies the safety, operational and financial criteria for its branches, it cannot assure that it will be able to identify such space at commercially reasonable terms or at all.

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

A significant proportion of the Bank's funding is considered short-term, including demand deposits and time deposits that mature within one year. As at March 31, 2025, demand deposits and term deposits with maturities of less than one year constituted 34.29% of the Bank's total deposits. At certain points in the Bank's profile of asset and liabilities maturities, there is a mismatch between the amount of short-term funding that matures or could be demanded and the portion of the Bank's assets that matures or could be immediately liquidated. Historically, this theoretical liquidity gap has not materialized because a substantial portion of the Bank's term deposits have been rolled over, meaning that the Bank retains the funds for a further term, and because a substantial portion of the Bank's demand deposits have consisted of "core" deposits, which the Bank assesses, based on a number of factors including past customer behavior, type and size of account, are less likely to be withdrawn in the foreseeable future. During the 12-month period ended March 31, 2025, approximately 80% of the funds in maturing term deposits were rolled over, and as of March 31, 2025, the Bank estimated that 85% of its current deposits and 95% of its savings deposits consisted of core deposits.

Despite this stability, there is no assurance that depositors will continue to roll over their deposits upon maturity, nor that the Bank's 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 the Bank's liquidity position. If such withdrawals or non-renewals occur in significant amounts, the Bank may need to seek funding from alternative, potentially more expensive sources, such as short-term borrowing facilities provided by the RBI or private money market or repo transactions, which could have a substantial impact on the Bank's cost of funds and profitability.

At specific points in time, mismatches between the maturity profiles of the Bank's 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 the Bank's 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.

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

The Bank is exposed to fluctuations in foreign exchange rates.

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

The Bank relies on its correspondent banks in other countries to facilitate its foreign exchange operations. Any failure to maintain such relationships or enter such new relationships with correspondent banks may impact its ability to grow its foreign exchange business.

As of March 31, 2025, the Bank maintains relationships with 223 correspondent banks and financial institutions across 55 countries. Through these relationships, the Bank offers trade finance, foreign exchange, and certain other treasury services. The Bank maintains nostro accounts in foreign currencies to facilitate inward and outward remittances. Customers can remit funds to India in any of the currencies for which the Bank has opened such accounts by instructing their banks to send funds to the relevant nostro account maintained by the Bank in that currency. The Bank may need to open additional nostro accounts with correspondent banks in different locations if it intends to cater to new foreign locations or currencies. Opening and maintaining such accounts requires compliance with strict know your customer norms. Any failure to adhere to these norms may result in the relevant correspondent bank closing the Bank's accounts. A correspondent bank may also discontinue any of the services it offers in relation to these accounts, which may lead to customer dissatisfaction. There can be no assurance that the Bank will be able to retain its existing correspondent banks or enter into similar arrangements with new correspondent banks on commercially reasonable terms, or at all.

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

The Bank's life insurance and general insurance businesses, conducted through SBI Life and SBI General Insurance, respectively, are becoming an increasingly important part of the Bank's overall business. While these businesses have experienced moderate growth since fiscal year 2009, there can be no assurance regarding their future growth rates. The life insurance business offers life, pension and health products. Reductions in capital market valuations and market volatility have adversely impacted demand for unit-linked products.

Regulatory changes have also played a significant role. These include caps on various charges (such as surrender charges), an increase in the minimum premium paying term, and the introduction of minimum guaranteed returns on pension products. On 8 July 2019, the Insurance Regulatory and Development Authority of India (IRDAI) issued the IRDAI (Unit Linked Insurance Products) Regulations, 2019 and IRDAI (Non-linked Insurance Products) Regulations, 2019. These regulations for non-linked and linked life insurance products introduced limits on commission rates payable by insurance companies, minimum guaranteed surrender values and death benefits for non-linked products. The new guidelines require life insurance companies to modify existing products for compliance. These revisions could affect the growth, margins and profitability of the Bank's life insurance business.

Further, the IRDAI (Expenses of Management, Including Commission of Insurers) Regulations, 2024, have been amended to provide insurers with greater flexibility in managing expenses, including commissions. The intention is to enable insurers to optimise resource allocation, enhance benefits for policyholders, and support improved insurance penetration, within the overall limits set by the IRDAI. These amendments balance operational flexibility and regulatory oversight by imposing expense of management limits at the company level for general and health insurance providers, while simplifying monitoring for life insurance. This forms part of a broader regulatory reform aiming to shift towards principle-based regulations and to rationalise the existing regulatory framework (source: IRDAI Annual Report 2023-24).

The general insurance business has seen its growth adversely affected by the deregulation of pricing for certain products from 2007 onwards, resulting in lower premiums for these products. There is no certainty of future growth rates in the Bank's insurance businesses. Factors such as a slowdown in the Indian economy, further regulatory changes or customer dissatisfaction with the Bank's insurance products could all negatively impact the growth of these businesses. Any slowdown, particularly within the life insurance segment, could adversely affect the Bank's business and the trading price of its Notes.

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

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

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

In line with general insurance industry practice and applicable accounting and regulatory requirements, the Bank's general insurance subsidiary, SBI General Insurance, establishes reserves for loss and loss adjustment expenses related to its general insurance business. These reserves are based on estimates of future payments to be made in respect of claims, including associated expenses. Estimates are determined both on a case-by-case basis, taking into account the facts and circumstances available when the reserves are set, and in respect of losses that have been incurred but not yet reported. The reserves represent the estimated ultimate cost necessary to bring all outstanding claims to final settlement.

Reserves are established based on actuarial valuations and may change due to a variety of variables that affect the ultimate cost of claims, such as changes in the legal environment, litigation outcomes, repair costs, inflation and exchange rates. The reserves for environmental and other latent claims are particularly sensitive to such variables. The results of operations of the Bank's general insurance subsidiary depend significantly on the extent to which its actual claims experience matches the assumptions used for pricing products and establishing technical provisions and claims liabilities. If actual claims experience proves less favourable than the underlying assumptions, the subsidiary may be required to increase reserves, which could have a materially adverse effect on its results of operations.

The estimates for established loss reserves are periodically adjusted, reflecting the most current information available to management, and any adjustments are recognised in the results of the current period. The Bank's general insurance subsidiary also reviews various lines of business to assess the adequacy of overall reserve levels. Based on currently available information and the subsidiary's internal procedures, management considers these reserves to be adequate.

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

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

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

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

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

The Bank's risk management functions are structured around the principal risks defined under the applicable Basel III guidelines—namely, credit risk, market risk, operational risk and liquidity risk. The Bank has established a well-defined risk management governance framework, comprising the Risk Management

Committee and sub-committees dedicated to the management of credit, market, liquidity and operational risks. However, if any of the instruments or strategies employed to hedge or otherwise manage exposure to market or credit risk prove ineffective, the Bank may not be able to mitigate its risk exposure adequately, particularly in changing market environments or in relation to specific risk types.

The Bank has invested significant resources in the development of risk management policies and procedures and intends to continue investing in this area. Despite these efforts, the policies and procedures designed to identify, monitor and manage risks may not prove fully effective. Many of the Bank's risk management methods are based on observed historical market behaviour, and as such, may not accurately predict future risk exposures, which could be significantly greater than historical measures suggest.

The management of operational, legal and regulatory risks depends, among other factors, on the maintenance of policies and procedures to properly record and verify a large volume of transactions and events, and these controls may not always be fully effective. As the Bank seeks to expand the scope of its operations, it also faces the challenge of developing risk management policies and procedures that are appropriately designed for new business areas, or for managing the risks associated with the growth of existing businesses. Implementation and ongoing monitoring of risk management processes may be particularly challenging for new or developing business areas.

Any inability to develop and implement effective risk management policies and procedures may materially and adversely affect the Bank's business, financial condition and results of operations.

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

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

The Bank 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 it to additional liability and harm its business or reputation.

Although the Bank complies with the guidelines related to anti-money laundering issued by the RBI and the Financial Intelligence Unit-India, and all necessary reporting is completed, banking channels have an inherent risk of misuse by money launderers, terrorists and cyber criminals. For the last three fiscal years, regulatory reports have been submitted as per guidelines and no penalty has been imposed to date regarding regulatory reporting.

While the Bank continues to strengthen its anti-money laundering (“**AML**”) and know your customer (“**KYC**”) procedures, to the extent that it fails to fully comply with applicable laws and regulations, the relevant governmental and regulatory agencies may impose fines and other penalties and, in certain circumstances, require the Bank to cease operations. In addition, any adverse action taken by such agencies could adversely affect the Bank’s reputation, thereby affecting its business and future financial performance.

A penalty of approximately ₹ 17.28 million was imposed by RBI on the Bank by an order dated 29 April 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 (a) the Bank issued a bridge loan to an entity against pending receivables from the central or state government, breaching regulatory norms; (b) the Bank failed to credit customers’ accounts (through shadow reversal) within 10 working days of being notified of unauthorised 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 23 May 2024, while the remaining 4.50 million South African Rand has been suspended for 36 months and will be payable before 13 July 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 reputation, or that the measures taken by the Bank to remedy such detected deficiencies in its control processes will be sufficient.

The Bank or its 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 organisations also administer similar economic sanctions. Through its foreign branches and its international operations, the Bank 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

Offering Circular, the Bank operates a representative office in Iran and a subsidiary in Russia (outside the Crimea region). Although the Bank believes it has compliance systems in place that are sufficient to block prohibited transactions, and it has not been notified that any penalties or other measures will be imposed on it, there can be no assurance that the Bank will be able to fully monitor all of its transactions for any potential violation. There can be no assurance that the Bank's future business will be free of risk under sanctions implemented by these jurisdictions or that it will be able to conform its business operations to the expectations and requirements of such international regulatory agencies that do not have jurisdiction over its business but nevertheless assert the right to impose sanctions on an extraterritorial basis. Further, Note holders could incur reputational or other risks as a result of the Bank's or its customers' dealings in or with sanctioned countries or with persons that are the subject of such sanctions.

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

The Bank seeks to protect its computer systems and network infrastructure, including automated teller machines (ATMs), from physical break-ins as well as security breaches and other disruptive problems arising from 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. The Bank employs security systems, including advanced threat defence systems, sophisticated threat management systems and password encryption, all designed to minimise the risk of security breaches. Although the Bank intends to continue implementing security technology and establishing 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 to the cyber security policy under the Cyber Security Framework issued by the Reserve Bank of India (RBI), or inadequate focus in addressing major issues—such as those relating to the implementation of risk management systems, an increase in reported frauds, absence of straight through processing in critical systems and their integration with the core banking solution, inadequate collateral management, and delayed compliance in implementing the observations of risk assessment reports—could have a material adverse effect on the Bank's business and operations, future financial performance, and the trading price of its equity shares. The Bank has ensured that all necessary control measures, as required by the RBI, are in place. Its audit department conducts an annual audit of these measures by external auditors to ensure adherence with the Cyber Security Framework issued by the RBI. Furthermore, the Bank's business operations are based on a high volume of transactions. Although the Bank takes measures to safeguard against systems-related and other fraud and has remained compliant with the Cyber Security Framework through regular internal and external information security audits, there can be no assurance that it will be able to prevent fraud. The Bank's 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 the Bank is fully committed to protecting its information technology (IT) infrastructure from all types of external and internal threats, it cannot guarantee the absence of potential breaches. Despite the Bank's prompt response to threat intelligence received from various platforms and its collaboration with external regulatory agencies having helped maintain compliance with cyber security regulations, there remains a risk that such breaches could affect its business operations.

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

The Bank's business is highly dependent on its ability to efficiently and reliably process a high volume of transactions across numerous locations and delivery channels. The Bank's principal delivery channels include

ATMs, internet banking, mobile banking and call centers. It places heavy reliance on its technology infrastructure for processing data and therefore ensuring system security and availability is of paramount importance. The Bank's systemic and operational controls may not be adequate to prevent adverse impact from errors, hacking and system failures. The Bank's operational controls are also susceptible to the risk of fraud, including by its employees, customers, lenders or outsiders, or by its perceived inability to properly manage fraud-related risks. Frauds committed by customers and non-customers have increased in recent years with an aggregate of 3,437 cases of fraud amounting to Rs. 80.79 billion during fiscal year 2025. The major areas of fraud were with respect to advances under three categories: (i) diversion of funds; (ii) false financial statements; and (iii) multiple finance. The Bank's inability or perceived inability to manage these risks could also lead to enhanced regulatory oversight and scrutiny. For example, the RBI has in the past imposed a fine of Rs. 10.0 million on the Bank for its failure to verify SWIFT transaction logs, make appropriate entries of transactions pertaining to letters of comfort and letters of undertaking in the Bank's accounting system and for delayed reporting of certain frauds to the RBI and a fine of Rs. 5.0 million for non-compliance of its directions issued with respect to the reporting of frauds. Any failure in the Bank's systems, particularly for retail products and services and transaction banking, could significantly affect the Bank's operations and the quality of its customer service and could result in business and financial losses and adversely affect the trading price of the Notes.

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
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 that it may take considerable time to make the system fully operational and achieve complete business resumption using the alternate site. Therefore, in 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.

The Bank's risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risks, including risks that are unidentified or unanticipated. Some methods of managing risk are based on observed historical market behaviour and, 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 on an evaluation of information regarding markets, clients, or other matters. This information may not always be accurate, complete, up to date, or properly evaluated. While the Bank periodically tests and updates its internal control systems as necessary, it remains exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and its actions may not be sufficient to guarantee effective internal controls in all circumstances.

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

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

The RBI requires every scheduled commercial bank to extend 40.0% of its adjusted net bank credit ("ANBC") to certain eligible sectors, such as agriculture, small-scale industries and individual housing finance (which are categorized as "priority sectors"). Economic difficulties are likely to affect those borrowers in priority sectors more severely. As a result of these requirements, we may extend loans to borrowers that we would not make on purely commercial criteria, and the Bank's loan portfolio may include higher exposure to priority sectors than we would choose to have without these requirements. As of March 31, 2025, the Bank's lending to priority sectors accounted for 40% of applicable adjusted net bank credit, with 17.01% of ANBC as defined going to the agricultural sector. See "Regulation and Supervision — Priority Sector Lending."

Non-compliance with RBI inspection / observations may have an adverse effect on the Bank's business, financial condition or results of operation. Its overseas branches are also subject to inspections from regulators in such jurisdictions. Any adverse observations from such regulators could have an adverse effect on its business, financial condition or results of operation.

The Bank is subject to periodic inspections by the RBI under the Banking Regulation Act including through the Supervisory Program for Assessment of Risk and Capital. During these inspections, the RBI reviews the Bank's compliance with risk management and regulatory requirements and provides guidance on instances of non-compliance. In the past, the RBI has made various observations regarding the Bank's business and operations, which are incorporated into a final inspection report and require the Bank to take certain actions to the RBI's satisfaction.

The RBI's observations have included deficiencies in areas such as governance and risk management, capital computation, fraud detection and reporting, strengthening control functions, cyber security capabilities, credit monitoring arrangements, the effective monitoring and classification of the loan portfolio (including borrower categorisation under the large exposure framework), erroneous reporting of external ratings, and the need to enhance the collateral management system to include a framework for centralised monitoring and valuation of collaterals. Other identified concerns have included issues with cross-selling, delays in the formulation of business plans, and weaknesses in the operating systems used for automated teller machines (ATMs). The RBI has also identified that certain compliance requirements were not satisfied, particularly regarding risk management and the Bank's holdings in non-subsidiary entities engaged in non-financial services.

Furthermore, the RBI has made certain observations in respect of the Bank's overseas subsidiaries, including show cause notices issued by overseas regulatory authorities. The most recent inspection by the RBI covered the period up to 31 March 2024. The Bank has taken, and continues to take, steps to address these observations and has communicated progress on compliance to the RBI. However, there can be no assurance that the RBI will regard these measures as sufficient or consider the observations to be fully resolved.

If the Bank fails to comply with the observations made by the RBI, it may be subject to supervisory action, which could have a material adverse effect on the Bank's reputation, financial condition and results of operations. In addition, the Bank's overseas subsidiaries are also subject to inspection and review by local regulators, and any adverse findings by such authorities may negatively affect the Group's business and financial position.

If the Bank is covered by RBI guidelines relating to prompt corrective action, then its business, future financial performance, and results of operations could be materially and adversely affected.

On November 2, 2021, the RBI revised the Prompt Corrective Action ("PCA") framework for scheduled commercial 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 managerial persons, and superseding the Board, as per the classification of different risk thresholds. If the Bank triggers any risk threshold under the PCA framework, it could materially and adversely affect the Bank's business, future financial performance, and results of operations.

The Bank's inability to renew or maintain the Bank's statutory and regulatory permits and approvals required to operate the Bank's business may adversely impact the Bank's business, financial condition and results of operation.

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

In addition, the Bank's 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 the branch is located, unless otherwise exempt under such enactments. Some of these approvals and registrations may have expired or lapsed, for which the Bank is in the process of making an application to obtain approval for their renewal. The inability to obtain these licences, permits or approvals, or non-compliance with the terms and conditions mentioned therein, may attract penalties and strictures from the authorities if the irregularities identified by the inspecting officials of the relevant authority are not rectified within the time allowed by them. In extreme cases, this may result in interruption of all or some of the Bank's operations and may have a material adverse effect on the Bank's business, financial condition, results, and cash flow, and could also adversely affect its financial performance and reputation.

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

As of March 31, 2025, the Bank had a network of 244 international offices in 29 countries, including in such locations as New York, London, Frankfurt, Singapore, Hong Kong and the Maldives. In addition, given the opportunities arising from the substantial Indian population in the region, the Bank has entered into tie-ups with exchange companies in the Middle East to facilitate non-resident Indian and other customer remittances to India. The Bank's own international network is supported by correspondent relationships with leading banks in countries across the world and also by relationship management arrangements with several other banks. As

of March 31, 2025, the Bank maintained correspondent relationships with 223 leading banks in 55 countries. As of March 31, 2025, the Bank also had 4,437 relationship management application arrangements through the SWIFT network, facilitating interbank financial telecommunications. The Bank intends to further expand its international operations. As of March 31, 2025, the international banking group's advances were equal to approximately 14.67% of the total whole bank advances.

Additionally, the Bank has plans to open and upgrade branches in certain foreign jurisdictions with the aim of operating as a local bank, providing commercial and retail products and services to attract both non-resident Indians and non-Indian customers. For example, the Bank expanded its operations into Africa through opening its seventh foreign subsidiary in Botswana in 2013. However, there is no assurance that the Bank will be able to successfully compete with existing banks in such foreign jurisdictions.

As the Bank has or plans to open a number of foreign branches, joint ventures and associates, it is subject to or may become subject to additional risks related to complying with a wide variety of national and local laws, restrictions on the import and export of certain intermediates, banking regulations, technologies and multiple and possibly overlapping tax structures. For instance, with the introduction of the General Data Protection Regulation in the European Union, the Bank's offices in the United Kingdom, Frankfurt and Antwerp may need to comply with certain additional requirements, including appointing data protection officers. As a result, successful foreign expansion requires substantial capital, and it will be costly for the Bank to fund organic growth and to conduct acquisitions of foreign businesses. Acquisitions involve various risks that are difficult for the Bank to control and the Bank cannot be certain that any acquired or new businesses will perform as anticipated. The Bank may also face difficulties integrating new facilities in different countries into its existing operations, as well as integrating employees that the Bank hires in different countries into its existing corporate culture or complying with unfamiliar laws and regulations. If the Bank does not effectively manage its foreign operations and expansion, it may lose money in these countries, which could adversely affect the Bank's business and results of operations.

The Bank's business and financial performance are dependent on maintaining and building a successful branch network. An inability to maintain, increase its coverage and any inability to use these branches productively, may have an adverse impact on its growth and profitability.

The Bank has a large and diverse branch network across India and other jurisdictions. As of March 31, 2025, the Bank's distribution network in India included 22,937 branches across 28 States and eight Union Territories. Further, as of March 31, 2025, the Bank's distribution network also included branches outside India, such as those in the United States of America, the United Kingdom, and Singapore. The Bank's business and financial performance are dependent on maintaining its extensive network of branches. 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 newly opened branches within a reasonable period as envisaged by the Bank, its profitability may be affected. Branch expansion plans may have an adverse effect on the capital outlay which in turn may adversely affect the Bank's business, results of operations and financial condition. As a consequence of the Bank's large and diverse branch network, it may be subject to additional risks inherent with an extensive network, including but not limited to higher technology costs, upgrading, expanding and securing its 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 the existing branch network. Any of these

reasons may result in the failure to manage a large branch presence, which may adversely affect the Bank's business, results of operations and financial condition.

The Bank's retail assets portfolio has experienced significant growth. If the Bank is unable to address credit risk in its retail asset portfolio, then its financial performance may be adversely affected.

As part of the Bank's business and growth strategy, it will continue to focus on growth in its retail banking business (Retail Personal, Agri, and SME). Further, the Bank's retail credit portfolio increased by 16.32 per cent between 31 March 2023 and 31 March 2024 and further increased by 12.95 per cent as of March 31, 2025.

Set forth below are details of the 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, the Bank is exposed to higher credit risk in the retail business compared to banks in more developed markets. If the Bank's screening process proves to be inadequate, it may experience an increase in impaired loans and may be required to increase its provision for defaulted loans. This may impact the Bank's future financial performance and credit rating and the market price of the Equity Shares. Although India has a credit bureau industry and the Bank reviews 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 the Bank to monitor the credit of its 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 the Bank is unable to maintain the quality of its retail loan portfolio as it grows its retail business, NPAs may increase, which could adversely affect its business, results of operations and financial condition.

The Bank's inability to attract and retain talented professionals may negatively affect its results of operation and financial position.

Attracting and retaining talented professionals is a key element to the Bank's growth strategy. The Bank's 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, the Bank also offers its employees certain incentives such as bonus payments, as may be approved by its Board. The Bank's remuneration scheme is in accordance with industry level settlement, formulated by the IBA following negotiation with various unions or associations. The remuneration prevalent in public sector banks is similar, except for perks which are determined by individual banks.

If the banking industry increasingly moves toward incentive-based pay schemes, attrition rates could increase and the Bank could be forced to alter its 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 the Bank's business, future financial performance, and trading price of the Notes. In addition, the Bank may experience difficulties in managing its expanding workforce.

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

The Bank and its overseas branches are required to maintain monitoring systems and controls, risk management structures, operational compliances and processes that meet regulatory requirements in their respective overseas jurisdictions. Any failure to comply may subject the Bank or its overseas branches to regulatory action from both foreign and Indian regulators. The Bank has previously been subject to penalties imposed by regulators in jurisdictions where its overseas branches are located, and there can be no assurance that similar instances will not occur in the future. For example, in Fiscal 2023, *Otoritas Jasa Keuangan*, the Financial Services Authority of Indonesia, imposed a penalty of IDR 153,250,000 (approximately ₹0.81 million) on the Bank's Indonesian subsidiary. 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 23 May 2024, while the remaining 4.50 million South African Rand has been suspended for 36 months and will be payable before 13 July 2026. Given the Bank's widespread overseas presence, and despite ongoing efforts to enhance systems and controls to meet regulatory expectations in all jurisdictions, 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 these agencies could negatively affect the Bank's business, financial performance and reputation.

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

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

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

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

The Bank's international operations are subject to legal and regulatory risks. If the Bank does not effectively manage its foreign operations or any further international expansion, its operations may incur losses or otherwise adversely affect its business and results of operations.

The Bank's international operations included 244 branches in 29 countries, as of March 31, 2025. In addition, the Bank has overseas banking subsidiaries across Nepal, Canada, USA, UK, Indonesia, Mauritius and Russia. As a result, the Bank is subject to additional risks related to complying with a wide variety of international banking and financial services laws and regulations and regulatory and enforcement authorities in the jurisdictions in which it operates. In addition, the Bank also faces 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 in which the Bank operates, 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. The Bank has in the past experienced certain instances of non-compliance with applicable regulations, and has been penalized for such non-compliances.

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. The Bank may also face difficulties integrating new facilities in different countries into its existing operations, as well as integrating employees that it hires in different countries into its existing corporate culture or complying with unfamiliar laws and regulations. In addition, the Bank faces competition from banks in other countries that may have more experience and resources in those countries or in international operations generally. The Bank remains a small-size operator in foreign markets where it is currently present and many of its competitors have much greater resources. If the Bank does not effectively manage its foreign operations, its results of operations may be adversely affected.

The Bank is subject to the directed lending requirements of the RBI, and any shortfall in meeting these requirements may be required to be invested in Government schemes that yield low returns, thereby impacting the Bank's profitability. The Bank may also experience a higher level of non-performing assets in its directed lending portfolio, which could adversely impact the quality of its loan portfolio and its business.

Under the *Master Directions - Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2025*, the RBI requires that every domestic commercial bank (excluding regional rural banks (RRBs) and small finance banks (SFBs)) and foreign banks with 20 branches and above, extend at least 40 per cent 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, micro, small and medium enterprises (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 per cent, 7.5 per cent and 12 per cent for lending to agriculture, MSMEs and advances to weaker sections, respectively. The Bank's priority sector loan portfolio contains significant advances to the MSME and agriculture sectors. Set forth below are certain details regarding its 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 (%)	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%

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 (₹ billion)	Percentage of ANBC (%)	Amount (₹ billion)	Percentage of ANBC (%)	Amount (₹ billion)	Percentage of 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%	2,526	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%	28,993	100%	33,208	100%

Note: All figures and % to ANBC for March 31, 2023, 2024, 2025 are on a quarterly average basis.

** 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. Therefore, there are no specific targets for MSMEs or other priority sectors credit and are marked as 'NA' accordingly.*

Any revision in the definition or classification of segments eligible for priority sector lending by the RBI could impact the Bank's ability to meet priority sector lending requirements. Additionally, if the Bank is required to increase its exposure to the agricultural sector as a result of Government of India ("GoI") mandated directed lending, this may adversely affect its future financial performance. Any shortfall in meeting the priority sector lending requirements may require the Bank, at the RBI's direction, to invest in an account with the National Bank for Agriculture and Rural Development ("NABARD") under the Rural Infrastructure Development Fund Scheme, or with other financial institutions specified by the RBI, which typically generate lower 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	3.61%	3.33%	3.26%

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

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

With effect from April 1, 2013, banks have complied with Basel III capital adequacy framework as stipulated by the RBI. The Basel III guidelines, among other things, impose a minimum Common Equity Tier 1 risk-based capital ratio of 8.60%, a minimum Tier 1 risk-based capital ratio of 10.10% and a minimum total risk-based capital ratio of 12.10%; require banks to maintain a Common Equity Tier 1 capital conservation buffer of 2.50% (with effect from October 1, 2021) of risk-weighted assets above the minimum requirements to avoid restrictions on capital distributions and discretionary bonus payments; establish new eligibility criteria for capital instruments in each tier of regulatory capital; require more stringent adjustments to and deductions from regulatory capital; provide for more limited recognition of minority interests in the regulatory capital of a consolidated banking group; impose a 4% Basel III leverage ratio of Tier 1 capital to exposure; and modify the RBI's Basel II guidelines with respect to credit risk, including counterparty credit risk and credit risk mitigation, and market risk. The guidelines were required to be fully implemented from March 31, 2019. Applying the Basel III guidelines, capital ratios of the Bank as of March 31, 2025 were: Common Equity Tier 1 risk-based capital ratio of 10.81%; Tier 1 capital ratio of 12.11%; and total capital ratio of 14.25%. (The minimum leverage ratio to be maintained by Domestic Systemically Important Banks is 4% with effect from October 1, 2019).

The RBI may require additional capital to be held by banks as a systemic buffer. Globally, capital regulations continue to evolve, including additional capital requirements for domestic systemically important banks. The RBI has increased the D-SIB requirement for the Bank by 20 bps from 60 bps to 80 bps with effect from April 1, 2025. The RBI has also released guidelines for dealing with domestic banks that are of systemic importance in June 2014 and was subsequently updated in December 2023 with respect to the revisions in the methodology and the timelines for the assessment. It also released guidelines on counter-cyclical capital buffers ("CCCB") in February 2015, which were to be activated as and when the appropriate circumstances arose. However, in April 2025, the RBI deferred the implementation of CCCB on banks till further notice. In addition, with the approval of the RBI, banks in India may migrate to advanced approaches for calculating risk-based capital requirements in the medium term. These evolving regulations may impact the amount of capital that the Bank is required to hold. The Bank's ability to grow its business and execute its strategy is dependent on its level of capitalization. See "*Regulation and Supervision — The RBI and its Regulations.*" Any increase in capital adequacy requirements applicable to the Bank or any deterioration in the Bank's capital ratios may require it to raise additional regulatory capital, limit its ability to grow its business and may affect the Bank's future performance and strategy.

The Bank is subject to capital adequacy norms and is 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 its results of operations and financial condition.

The Bank is subject to regulations relating to the capital adequacy of banks in India, which determine the CRAR — that is, the minimum amount of capital the Bank must hold as a percentage of its risk-weighted assets. The Reserve Bank of India (RBI) requires Indian banks to maintain a minimum CRAR of 11.50 per cent (including a capital conservation buffer). The RBI issued its *Framework for dealing with Domestic Systemically Important Banks* ("D-SIB") on 22 July 2014, updating this framework on 28 December 2023. Under the D-SIB

framework, the RBI discloses the names of banks designated as D-SIBs from 2015 onwards and assigns these banks to appropriate buckets depending on their systemic importance scores. According to the RBI press release dated 13 November 2024, D-SIBs are required to maintain an additional capital buffer, which ranges from 0.20 per cent to 1.00 per cent. As per the aforementioned press release, the additional common equity tier 1 requirement as a percentage of risk weighted assets for the Issuer applicable from April 1, 2025 is 0.80%.

In accordance with the RBI Basel III Capital Regulations, with effect from 1 April 2025, the Bank is required to maintain a minimum common equity Tier I (CET-I) capital ratio of 8.80 per cent (including a capital conservation buffer of 2.50 per cent and D-SIB buffer of 0.80 per cent), and a minimum CRAR of 12.30 per cent (including a capital conservation buffer of 2.50 per cent and D-SIB buffer of 0.80 per cent) of its risk-weighted assets. Any incremental capital requirement may adversely impact the Bank's ability to grow its business and may require it to withdraw from, or curtail, some of its current operations.

The RBI determines the systemic importance of a bank based on various factors, including size, interconnectedness, substitutability, and complexity, with greater weight assigned to size. The Bank was declared a systemically important bank in India in August 2015 and has continued to hold this designation in subsequent years. For the 2025 financial year, the Bank was placed in the fourth bucket and is required to maintain additional CET-I capital of 0.80 per cent, increased from 0.60 per cent, from 1 April 2025. The RBI also released guidelines on the implementation of counter-cyclical capital buffers, proposing higher capital requirements for banks—ranging from 0.00 per cent to 2.50 per cent of risk-weighted assets—during periods of high economic growth. These requirements would be triggered by indicators such as deviations of the long-term average credit-to-GDP ratio. While these guidelines are 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 the Bank's movement to a higher D-SIB bucket, may adversely affect the Bank's financial operations and condition.

Pursuant to the Basel III norms, as of March 31, 2025, the Bank's Tier I and total capital adequacy ratios were 12.11 per cent and 14.25 per cent, respectively. The Bank is exposed to the risk of regulatory changes regarding the applicable risk weights for various asset classes. Despite following a policy of maintaining capital adequacy ratios in line with RBI Basel III Capital Regulations, there can be no assurance that the Bank will consistently maintain these ratios in the future. The implementation of Basel III or additional capital adequacy requirements may lead to substantial compliance and monitoring costs. Any breach of applicable capital adequacy laws or regulations could adversely affect the Bank's reputation, business operations, and financial condition. Furthermore, if more stringent capital adequacy guidance is imposed, the Bank may be required to raise or maintain further capital, which could materially and adversely affect its business, financial condition, and results of operations.

The Bank's general insurance subsidiary, SBI General Insurance Company Limited, is also subject to solvency and capital requirements imposed by the relevant regulator. While the Bank does not currently expect to make additional equity investments in its insurance subsidiary, any requirement to do so as a result of regulatory changes or material stress could adversely impact the Bank's own capital adequacy position.

The Bank has existing indebtedness, and may incur additional indebtedness, which could adversely affect its financial condition, and/or its ability to obtain financing in the future, react to changes in the Bank's business and/or satisfy its obligations.

As of March 31, 2025, the Bank had ₹ 1,695.57 billion of outstanding debt liabilities in the form of debt securities, Tier I bonds, subordinated debt for Tier II capital, and long-term infrastructure bonds. The Bank's existing indebtedness could impose restrictions on its business operations which may include the following:

- It may be challenging for the Bank to obtain additional financing, should such a need arise, which may limit its ability to satisfy obligations with respect to its debt.

- A portion of the Bank's financial resources must be dedicated to the payment of principal and interest on its debt, thereby reducing the funds available for other purposes.
- It may be difficult for the Bank to satisfy its obligations to creditors, resulting in possible defaults on, and acceleration of, such debt.
- The Bank may be more vulnerable to general adverse economic and industry conditions.
- Its ability to refinance debt may be limited or the associated costs may increase.
- Its flexibility to adjust to changing market conditions could be limited, or it may be prevented from carrying out capital spending that is necessary or important to its growth strategy and efforts to improve operating margins of its businesses.

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

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

In accordance with the State Bank of India Act 1955 (the "SBI Act"), the Government, in consultation with the RBI, has the power to appoint and/or nominate the Chairman, a maximum of four Managing Directors and a majority of the directors of the Bank's Central Board (the "Central Board" or the "Board"), which determines the outcome of the actions relating to the general direction of the affairs of the Bank, including payment of dividends. See "*Regulation and Supervision — The Bank's relationships with the Government and the RBI.*" Under the SBI Act, the Government, after consultation with the RBI and the Chairman of the Bank, may also issue directives on matters of policy involving the public interest that may affect the conduct of the business affairs of the Bank. Decisions taken by the Government under the SBI Act may affect the Bank and its business in ways that are detrimental to other Securityholders including holders of the Notes. Further amendments to the SBI Act have also enabled the Bank to issue preference shares. There can be no assurance that the SBI Act will not be repealed or significantly amended in the future. In addition, there can be no assurance that the RBI or the Government will not take action or implement policies that are averse to the interests of the investors in the Notes. See "*Regulation and Supervision — Statutory Framework.*"

As the Government of India is the majority shareholder of the Bank's issued share capital, its decisions, including on matters of public policy, may impact the Bank's strategy and operations.

The Government of India ("GoI") holds a majority of the Bank's issued share capital. As of March 31, 2025, the GoI directly held 56.92 per cent of the Bank's issued and paid up share capital. Historically, the Bank has enjoyed autonomy from the Government of India in the management of its affairs and strategic direction. Further, the Chairman, Managing Directors and certain Non-Executive Directors are appointed by the Government of India. Although management conducts the day-to-day operations, the Government of India, as a majority shareholder, may determine material policies and implement such policies or schemes without the consent of the other shareholders, and may also 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 be appointed to the Central Board only by the GoI. Accordingly, any vacancies that may arise on the Central Board may only be filled by the GoI, which may affect the Bank's ability to fill such vacancies in a timely manner. For instance, as at the date of this Offering Circular, to comply with the requirements under Regulation 17(1)(b) of the Securities and Exchange Board of India (SEBI) Listing Regulations, the Bank is required to appoint additional Independent Directors. As a result, the Bank may be subject to penalties or other actions by the Stock Exchanges.

The SBI Act mandates that the GoI's shareholding in the Bank cannot fall below 51 per cent. This requirement could result in restrictions on the Bank's equity capital raising efforts, as the GoI may not be able to fund further investments to maintain its stake at a minimum of 51 per cent. As the Indian economy grows, more businesses

and individuals will require capital financing. To meet and sustain increasing levels of growth in capital demand, the Bank will need to increase its capital base, whether through organic growth or capital market financing schemes. If the Bank is unable to grow its capital base in line with demand, its business, financial prospects and profitability may be materially and adversely affected. Further, the approval issued by the Department of Financial Services, Ministry of Finance, Government of India to the Bank dated June 20, 2025 in relation to the Issue requires the Bank to raise capital in such a manner that the Government of India's shareholding does not fall below 52 per cent.

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

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

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

The Bank's strategies may ultimately fail to contribute to its growth or profitability and may ultimately be unsuccessful. Even if such strategies are partially successful, the Bank cannot assure stakeholders that it will be able to manage its growth effectively or fully deliver on its growth objectives.

Challenges that may result from the Bank's growth strategies include its 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.

The Bank 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, the Bank also may fail to develop or retain the technical expertise required to operate and develop these new digital solutions. To the extent that the Bank fails 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 its reputation with its customers could be harmed. Moreover, if the Bank's competitors are better able to anticipate the needs of individuals in its target market, the Bank could lose market share and its business, results of operations and financial condition could be adversely affected.

The Bank may seek opportunities for growth through acquisitions, divest its existing businesses, or be required to undertake mergers by the RBI and could face integration and other acquisitions risks.

The Bank may seek opportunities for growth through acquisitions or may be required to undertake mergers mandated by the RBI under its statutory powers. The Bank may in the future explore and pursue acquisition opportunities in countries where it currently operates. Subsidiaries or associates of the Bank may also undertake mergers, acquisitions, and takeovers, both within India and internationally. Mergers and acquisitions by such subsidiaries could result in a reduction of the Bank's shareholding in these entities, including potentially to below a majority shareholding in certain cases.

Any future acquisitions, mergers, or takeovers—whether by the Bank or by its subsidiaries, in India or abroad—could involve several risks. These may include the possibility of deterioration in asset quality, business operations or standards, the financial impact of employee-related liabilities, diversion of management attention required for post-acquisition integration, inability to retain key personnel or clients, failure to realise synergies or rationalise operations, or to develop new skills for entering new businesses or markets. There may also be unknown or known liabilities related to ongoing litigation, claims, or disputes concerning the acquired entity's shareholders, share capital, or compliance obligations. Any of these factors could have an adverse effect on the Bank's business or that of its subsidiaries or associates.

The Bank may also decide to sell all or part of one or more of its businesses, including its subsidiaries, for a range of reasons, such as changes in strategic focus, redeployment of capital, fulfilment of contractual obligations, or compliance with regulatory requirements.

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

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

The Bank's inability to maintain or grow its CASA ratio may result in higher cost of deposits and impact its financial condition.

The Bank has traditionally maintained high levels of current account and savings account ("CASA") deposits, reflecting its large retail customer base across India. In the 2023, 2024 and 2025 fiscal years, the share of domestic CASA deposits represented 43.80 per cent, 41.11 per cent and 39.97 per cent, respectively, of the Bank's total domestic deposits. Any decline in the CASA share of total deposits could adversely impact the Bank's profitability. The Bank's liquidity position would also be negatively affected if a significant proportion of depositors fail to roll over their deposits upon maturity, or do so for a shorter term than that of the Bank's assets. The Bank's ability to raise new deposits and expand its deposit base partly depends on its capacity to grow its branch network.

While retail deposits constitute a substantial portion of the deposit base, the Bank also accepts high-value deposits in response to funding needs. If required, the Bank may need to seek more expensive sources of funding

to support its operations, which could reduce profits and have a material adverse effect on its business, liquidity, financial condition and results of operations.

The Bank intends to continue focusing on providing high-quality service offerings to its customers, in line with the principle of always placing the customer first. However, there is no assurance that the Bank will be successful in expanding its CASA base. If the ratio of CASA to total deposits deteriorates significantly compared to banking industry standards in India, the Bank's results of operations could be materially and adversely affected.

Increasing competition from other banks and lending institutions may challenge the Bank's ability to maintain its CASA to deposits ratio. The Bank aims to increase CASA deposits by expanding its branch network in both rural and urban areas, as well as by offering attractive interest rates to savings account customers. However, there is no assurance that such efforts will result in growth of the CASA base. Failure to maintain or grow the CASA ratio may materially and adversely affect the Bank's financial condition and cash flows.

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

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

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

The Bank's business operations rely heavily on its information technology ("IT") systems. These systems are integral to delivering customer service, risk management, deposit services, loan origination, and expanding the portfolio of products and services. The Bank also depends on its IT platform for financial control and transaction processing. Furthermore, the Bank's systems link automated teller machines, branches and other service delivery channels. The Bank's hardware and software systems are susceptible to damage or incapacitation as a result of human error, natural disasters, power failures, sabotage, computer viruses or similar events, as well as potential loss of support from third-party service providers, such as internet backbone providers. Information technology systems may be vulnerable to interruptions, temporary disruptions or limitations in meeting operational requirements consistently. Service disruptions may occur in the future due to increasing numbers of customers and transactions or for other reasons. Extended disruption of IT systems, or delays in implementing necessary hardware or software updates, could lead the RBI to impose measures restricting certain business activities. Any inability to maintain reliable and efficient IT systems could negatively affect the Bank's reputation and its ability to attract and retain customers. System interruptions, errors or downtime—arising from changes in customer usage, technological failures, system modifications, third-party integrations or power outages—could adversely impact the Bank's business, financial condition and results of operations.

Any failure by third-party vendors to perform key processes or support critical application systems may have a negative effect on the Bank's business, financial condition and results of operations. Although the Bank will continue to implement security technologies and enforce operational procedures to prevent security breaches, damage and failures, there can be no assurance that such measures will prove adequate or successful. Inadequate or failed security controls could have an adverse impact on the Bank's business, financial condition and results of operations.

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

The Bank's business relies on the secure processing, transmission, storage and retrieval of confidential, proprietary and other information within its computer and data management systems and networks, as well as those of third parties. Given the Bank's reliance and focus on technology and its presence in diverse geographies, its technologies, systems, networks, and 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 relating to the Bank or its customers. Such incidents may cause direct loss of money to customers or to the Bank, damage to the Bank's reputation, and could adversely impact its business and financial results. Third parties with which the Bank conducts business, or which facilitate its business activities, could also be sources of operational and information security risk, including from breakdowns or failures of their own systems or capacity constraints.

The Bank, its customers, regulators and other third parties, including other financial services institutions and companies engaged in data processing, have previously been subject to, and are likely to continue to be the target of, cyber-attacks. Such 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 the personal email of employees, ransom demands to prevent the exposure of security vulnerabilities in the Bank's systems or those of third parties, or other security breaches that could result in the unauthorised release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information belonging to the Bank, its employees, customers, or third parties; could damage the Bank's systems; or could otherwise materially disrupt the Bank's, its customers' or other third parties' network access or business operations. As cyber threats continue to evolve, the Bank may be required to expend significant additional resources to continue to modify or enhance its protective measures, or to investigate and remediate any information security vulnerabilities. There were no security breaches, hacking incidents or other successful cyber-attacks in the preceding financial year. Cyber incidents are required to be reported to the Reserve Bank of India (RBI) as per regulatory guidelines. Additionally, the Bank receives threat intelligence and advisories from the National Critical Information Infrastructure Protection Centre (NCIIPC), Group IB, CSITE, CERT-In and other regulatory bodies, all of which are promptly acted upon.

Any third-party technology failure, cyber-attack or other information or security breach, termination or constraint could, among other effects, adversely impact the Bank's ability to execute transactions, service clients, manage its exposure to risk or expand its business. Cyber-attacks or other information or security breaches, whether directed at the Bank or third parties, may result in material loss or have material consequences. Furthermore, public perception of a successful cyber-attack on the Bank's systems—whether or not this perception is accurate—could damage the Bank's reputation with customers and third parties. A successful penetration or circumvention of the Bank's system security could have severe negative consequences, including the loss of customers and business opportunities; costs associated with maintaining business relationships post-attack; significant business disruption; misappropriation, exposure or destruction of confidential information, intellectual property or funds (either of the Bank or its customers); or damage to computers or systems. Such incidents could also result in violation of applicable privacy laws, litigation exposure, regulatory fines, penalties or intervention, loss of confidence in the Bank's security measures, reputational damage, reimbursement or other compensatory costs, additional compliance costs, and could adversely impact the Bank's results of operations, liquidity and financial condition.

The Bank's business and financial condition may be adversely affected if the Bank is 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. The Bank is committed to leveraging technological advancements to continually innovate and enhance customer experiences across all digital platforms. Its strategic focus includes the development of user-friendly digital banking services such as mobile banking, internet banking, unified payments interface (UPI), and streamlined digital processes including e-signing of documents, digital transaction incentivisation, and e-trade finance. These initiatives have helped to streamline operations and improve efficiency. Additionally, collaborative efforts with various companies have introduced cutting-edge products, further expanding the Bank's digital footprint. Partnerships with third parties underscore the Bank's proactive approach in meeting the evolving needs of a diverse customer base. The Bank has also increased the presence of authorised dealer branches, Foreign Currency Non-Resident Bank Account Authorised Branches, World Trade Center authorised Branches, and, as of March 31, 2025, has designated 434 branches as Non-Resident Indian (NRI) specialised branches in India. Furthermore, the Bank has tie-ups with 45 exchange houses and five Middle Eastern banks to facilitate remittances.

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

The Bank's failure to adapt to technological advancements that can potentially disrupt the banking industry could affect the performance and features of its products and services and reduce its attractiveness to customers.

Failing to adapt to technological advancements that have the potential to disrupt the banking industry could significantly impact the performance and features of the Bank's products and services, potentially diminishing its attractiveness to customers. In today's rapidly evolving digital landscape, staying ahead of technological changes is imperative for the Bank. Embracing innovation allows the Bank to enhance customer experience, streamline operations, and maintain competitiveness in the market. By proactively integrating cutting-edge technologies into the Bank's offerings, the Bank ensures that it not only meet but exceed customer expectations, thereby safeguarding its position as a leader in the banking sector. The Bank's failure to adapt to such technological advancements quickly and effectively could affect the performance and features of its products and services and could reduce its attractiveness to existing and potential customers.

The Bank is 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 its business.

Under RBI regulations, the Bank is subject to a CRR requirement. CRR is the balance a bank is required to hold 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 per cent. The RBI has announced that the CRR will be reduced to 3.00 per cent 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 6 September, 4 October, 1 November and 29 November 2025.

In addition, under the Banking Regulation Act all banks operating in India are required to maintain a SLR. 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, which earn lower levels of interest compared to advances to customers or investments in other securities.

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

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

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

Any deficiencies, inaccuracies or mis-specification in the models and data the Bank relies on for its risk analysis could impact its decision-making and operations.

As part of its ordinary decision-making process, the Bank relies on various models for data analysis and risk assessment. These models are based on historical data supplemented with managerial inputs and comments. These models analyse 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 the Bank's business, operations and financial conditions. As the Bank endeavours to broaden its operations in newer geographies and new product areas, there is a risk that it 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 its current businesses. Also, implementation and monitoring may prove to be challenging with respect to its expansion and development.

India's existing credit information infrastructure may cause increased risks of loan defaults. The Bank depends on the accuracy and completeness of information furnished by the customers and counterparties and any misrepresentation, errors or incompleteness of such information could cause its business to suffer.

The Bank's principal business is providing financing to borrowers, including individuals, SMEs and MSMEs. The credit risk of the Bank's borrowers may be higher than in other economies due to the higher uncertainty in the Bank's regulatory, political and economic environment and the inability of its 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, the Bank may not be able to accurately assess the creditworthiness of its borrowers, which may increase its risk of exposure to default by borrowers. Inadequate loan servicing histories for borrowers increase the risk of exposure and may lead to an increase in the Bank's NPAs, which may adversely affect its business, results of operations and financial condition.

The Bank relies on information furnished by customers and counterparties while determining whether to extend credit or to enter into other transactions with such customers and counterparties. The Bank's financial condition and results of operations could be negatively affected by relying on financial statements that do not comply with generally accepted accounting principles or with other information that is materially misleading. The Bank also relies on credit ratings and bureau scores assigned to its customers. The Bank's 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; (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. The Bank is a member of all four CICs. However, these CICs provide reports on borrowers' 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 the Bank's assessments of credit risk, thereby increasing the likelihood of borrower default on its loans and decreasing the likelihood that the Bank would be able to enforce any security in respect of such a loan, or that the relevant collateral will have a value commensurate with such a loan. The absence of reliable information, including audited financial statements, recognised debt rating reports and credit histories relating to the Bank's 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 the Bank's ability to accurately assess the credit risk associated with such lending. As a result, higher credit risk may expose the Bank to greater potential losses, which could adversely affect its business, financial condition and results of operations.

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

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

The Bank's remuneration scheme for employees up to the level of the general manager position is guided by an industry-wide bipartite settlement between the Indian Banks' Association and the public sector bank employees represented by their respective unions or associations. The Indian Banks' Association and the Award Staff Unions and Officers Federation signed the 10th bipartite wage settlement on November 11, 2020, which provided for an upward revision of salary for public sector bank employees. All negotiations are subject to final approval by the Government, which limits the Bank's flexibility in implementing performance-linked pay. Permanent employees constitute 98.86% of the Bank's total staff (including domestic and overseas staff), as on March 31, 2025. Although the Bank's remuneration packages may not be comparable at certain levels with those offered by private sector banks, the Bank believes that other benefits allow it to effectively compete for qualified employees. Excluding retirement, the general attrition rate of the Bank is 0.93% among its permanent staff. When required, the Bank also employs officers with specialized skills on a contract and on a cost-to-company basis, offering competitive salaries. The attrition rate in this category is slightly higher than the rate in the Bank's permanent staff, but comparable with market levels for contract officers. To incentivize high performers, the Bank operates a performance-linked incentive scheme, which is intended to reduce employee attrition and improve productivity. If the general banking industry increasingly moves toward incentive-based pay schemes, the Bank's attrition rates could increase and the Bank could be forced to alter its remuneration scheme. Such pressures may negatively affect the Bank's operations and profitability, especially if employee productivity or output does not experience a commensurate rise.

Any regulatory investigations, fines, sanctions, and requirements relating to conduct of business and financial crime could negatively affect the Bank's business and financial results, or cause serious reputational harm across the Bank's 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 Regulation Act. In the past, the RBI has levied penalties on the Bank for non-compliance with guidelines and instructions issued by the RBI from time to time, as well as on account of fraud.

The Bank is periodically subject to inspections by the relevant authorities. Certain of these inspections have resulted in investigations and cases commenced against the Bank or some of its employees. Going forward, the Bank will remain subject to similar inspections, investigations and cases. If one or more such inspections, investigations or cases results in a significant award or penalty against the Bank, its 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	The Reserve Bank of India issued a Show Cause Notice to SBI on April 6, 2023. The compliance breaches cited were as under: a) The bank failed to comply with Reserve Bank direction on Loans and Advances b) The bank failed to comply with the Reserve Bank directions on "Guidelines on	13.00

		management of Intra - group transactions and Exposures”.	
	February 26, 2024	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. The compliance breaches for which the penalty has been imposed are as under the provisions of sub-section (2) of Section 19 of the Banking Regulation Act. The Bank contravened the provisions of Section 26A of the Banking Regulation Act read with the Depositor Education and Awareness Fund (Fund) Scheme.	2.00
Fiscal 2025	Nil	-	-
Fiscal 2026	April 29, 2025	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 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. RBI observed as under: - Extending bridge loan to Andhra Pradesh State Civil Supplies Corporation Limited (APSCSCL). (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. - Opening of Current Accounts by Banks - Need for Discipline. - Non-obtention of undertaking from current account holders having exposure of less than Rs. 5 crore. - Not giving notice of change in interest rate and elongation of tenure of retail loans in 2.07 lakh instances. 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 an aggregate penalty of Rs. 17,280,000 (Rupees One crore seventy-two lakh eighty thousand only) imposed by RBI in respect of three points	17.30

		(*Point no a, b and c, as mentioned as non-Compliance above).	

The penalties imposed by such regulators have in the past generated adverse publicity for the Bank and its 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 management, and costs for investigations and remediation of affected customers, may adversely affect the Bank's business and financial performance.

The Bank 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 the Bank's business. Such adverse publicity, or any future scrutiny, investigation, inspection or audit which could result in fines, public reprimands, damage to reputation, significant time and attention from management, and costs for investigations and remediation of affected customers, may adversely affect the Bank's business and financial results.

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

The Bank is involved in certain litigation matters in the ordinary course of its business. These matters generally arise because the Bank seeks to recover from borrowers or because customers seek claims against it. Although it is the Bank's policy to make provisions for probable loss, the Bank does not make provisions or disclosures in its financial statements where its assessment is that the risk is insignificant. The Bank cannot guarantee that the judgments in any of the litigation in which the Bank is involved would be favorable to it and if its assessment of the risk changes, its view on provisions will also change. Increased provisioning for such potential losses could have a material adverse effect on the Bank's results of operations and financial condition. If the Bank's provisioning is inadequate relative to actual losses on final judgment, such additional losses could have an adverse impact on the Bank's business. For details, please see the section titled "*Business — Legal and Regulatory Proceedings*".

The Bank's contingent liabilities could materially and adversely affect its financial condition and results of operations.

As of March 31, 2025, the 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 the 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
TOTAL	26,682.37

Most of the liabilities have been incurred in the normal course of business. If these contingent liabilities were to fully materialise or materialise at a level higher than the Bank expects, it may materially and adversely impact the Bank's business, financial condition, results of operations and prospects. If the Bank is unable to recover payment from its customers in respect of the commitments that it is called upon to fulfil, its business, financial condition, cash flows, results of operations and prospects may be adversely impacted.

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

The Bank operates a defined benefit pension fund scheme. The Bank uses a discount rate linked to the long-term yield of government securities to calculate the present value of the Bank's future liabilities in relation to the scheme. A reduction in the long-term interest rate would increase the present value of the Bank's pension obligations. In the past, there have been instances of the Bank's pension liabilities being underfunded. The Bank

may be required to make further cash contributions to cover the deficit, which may in turn lead to an increase in its pension expenses. In a falling interest rate scenario, the held-to-maturity value of the securities in which the Bank has invested may increase, thereby offsetting the increase in the present value of the Bank's pension obligations.

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

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

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 the Bank's issuances of debt will be negatively impacted by any downgrade or potential downgrade in the Bank's credit ratings, which could increase the Bank's financing costs and adversely affect its future issuances of debt and its ability to raise new capital on a competitive basis. There has been no downgrade of the Bank's or the Bank's instruments for the past three fiscals. Set forth below are details of the Bank's 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	AT-1 bonds	AA+/Stable	AA+/Stable	AA+/Stable
	Fixed deposits	AAA/Stable	AAA/Stable	AAA/Stable
	Long term bonds	AAA/Stable	AAA/Stable	AAA/Stable
	Tier II bonds	AAA/Stable	AAA/Stable	AAA/Stable
ICRA Limited	AT-1 bonds	AA+/Stable	AA+/Stable	AA+/Stable
	Fixed Deposits	AAA/Stable	AAA/Stable	AAA/Stable
	Long term bonds	AAA/Stable	AAA/Stable	AAA/Stable
	Tier II bonds	AAA/Stable	AAA/Stable	AAA/Stable
India Ratings & Research Private Limited	Infrastructure Bonds	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
	Basel 3 Tier II Bonds	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
	Basel III AT1 Bonds	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable
	Long term bonds	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
	Certificate of Deposit (CDs)	IND A1+	IND A1+	IND A1+
	Infrastructure Bonds	CARE AAA; Stable	CARE AAA; Stable	CARE AAA; Stable

Rating Agency	Instrument/Purpose/ Issue	As at March 31, 2023	As at March 31, 2024	As at March 31, 2025
Credit Analysis and Research Limited	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 the Bank's credit ratings may increase interest rates for refinancing its outstanding debts in domestic and international markets, which would increase its financing costs and adversely affect both its future debt issuances and its ability to raise new capital on a competitive basis. This may, in turn, adversely affect the Bank's profitability and future growth. In addition, any downgrade of the Bank's credit ratings could result in additional terms and conditions being included in any financing or refinancing arrangements in the future. The Bank cannot guarantee that its ratings will not change, or that any other rating agency will not downgrade India's credit rating.

The Bank's insurance coverage may be inadequate to cover claims. If the Bank incurs substantial uninsured loss or loss that exceeds its insurance coverage, it could have a material adverse effect on its business, cash flows, results of operations and financial condition.

While the Bank is covered by a range of insurance that is consistent with industry practice in India to cover risks associated with its business, it cannot assure investors that the existing coverage will insure the Bank completely against all risks and losses that may arise in the future. The Bank may not have insurance to cover all of the risks associated with its business, as insurance coverage is either unavailable for certain risks or is prohibitively expensive. In addition, even if such losses are insured, the Bank 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 its coverage for the loss. In addition, the Bank's insurance policies are generally subject to annual renewal, and its ability to renew these policies on similar or otherwise acceptable terms cannot be assured. If the Bank incurs a serious uninsured loss or a loss that significantly exceeds the limits of its insurance policies, it could have an adverse effect on its business, cash flows, results of operations and financial condition.

The Bank's intellectual property rights may be subject to infringement or we may breach third party intellectual property rights.

The Bank has 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. The Bank has also applied for certain intellectual property registrations. The Bank is subject to the risk of brand dilution and consequently, loss of revenue in case of any misuse of the brand name by its agents or any third party. As such, any damage to the Bank's reputation or that of the "SBI" brand name, could substantially impair its ability to maintain or grow its business, or materially and adversely affect its business, financial condition, results of operation and prospects. If the Bank fails to maintain this brand recognition with its target customers due to any issues with its product offerings, a deterioration in service quality, or otherwise, or if any premium in value attributed to its business or to the brands under which its services are provided declines, market perception and customer acceptance of its brands may also decline. The Bank also enters into partnerships with external organizations over which it has limited control. Any negative news affecting such external organizations might also affect its reputation and brand value. In such an event, the Bank may not be able to compete for customers effectively, and its business, financial condition and growth prospects may be materially and adversely affected.

In addition, the Bank cannot guarantee that there shall be no infringement and unauthorized use of its intellectual property by third parties, including by its competitors. The Bank 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 the Bank to pay financial compensation to such third parties, as determined by a court of competent jurisdiction. If the Bank is unable to obtain or maintain these registrations, it may adversely affect its competitive business position. This may affect its brand value and consequently its business, financial condition, results of operations and prospects may be adversely affected.

Increasing regulatory focus on personal information protection could impact the Bank's business and expose it to increased liability.

Regulators in various jurisdictions are increasingly scrutinising 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 the Bank's business. In India, the Digital Personal Data Protection Act 2023 ("**Data Protection Act**") has been enacted, pending notification in the Official Gazette of India (although the provisions have not yet been notified) to implement organisational and technical measures in the processing of 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 introduces stricter data protection norms for entities such as the Bank and may impact the Bank's processes. The Data Protection Act is intended to maintain the highest level of security and protection for all such information regarding the Bank's various customers. The Ministry of Electronics and Information Technology has drafted the Digital Personal Data Protection Rules 2025 and placed them in the public domain for comments. The Reserve Bank of India (RBI) has also issued a circular dated 6 April 2018 regarding the procedure for storage of payment systems data to ensure that data relating to payment systems operated by the Bank 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 Payment Card Industry Data Security Standard (PCI DSS) for card information processing units. These standards demonstrate the Bank's compliance with primary regulations, provide confidence to stakeholders and customers, and help in defining clear roles and responsibilities. However, the Bank cannot assure stakeholders that it will be able to continue to comply with evolving regulatory norms on personal information protection. Any failure, or perceived failure, by the Bank to comply with any applicable regulatory requirements—including but not limited to those relating to privacy, data protection, information security, or consumer protection—could result in proceedings or actions against the Bank by governmental entities or individuals, which may subject the Bank to fines, penalties and/or judgments that could adversely affect its business and reputation.

The outbreak, or threatened outbreak, of any severe communicable disease or any other serious public health concerns in Asia, such as the prolonged COVID-19 pandemic in 2020, could have a material adverse effect on the Bank's business, financial condition and results of operations.

The outbreak, or continued or threatened outbreak, of any other severe communicable disease, such as Severe Acute Respiratory Syndrome ("**SARS**"), Middle East Respiratory Syndrome-Corona virus, avian influenza (commonly known as bird flu), H1N1, the novel strain of coronavirus ("**COVID-19**") or any other similar disease could materially and adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled.

For example, the outbreak of COVID-19 has resulted in, among other things, renewed travel and transportation restrictions, supply chain disruptions and increased volatility in international capital markets. Such pandemics may result in widespread reductions in consumption, industrial production and business activities and may significantly disrupt the global economy and global markets.

Accordingly, any such material changes in the financial markets, the Indian economy or economies of countries or regions where the Bank operates as a result of these events or developments may materially and adversely affect the Bank's business, financial condition and results of operations.

Furthermore, other uncertainties in the global economy and the Indian economy may also adversely affect the Bank's business, financial condition and results of operations in many ways, including, among others:

- during a period of economic slowdown, there is a greater likelihood that more of the Bank's customers or counterparties could become delinquent in respect of their loan repayments or other obligations to the Bank, which, in turn, could result in a higher level of NPAs, allowances for impairment losses and write-offs;
- the increased regulation and supervision by the financial services industry in response to the financial crisis in certain jurisdictions where the Bank operates may restrict the Bank's business flexibility and increase the Bank's compliance costs;
- the value of the Bank's investments in the equity and debt securities issued by overseas governments and financial institutions may significantly decline; and
- the Bank's ability to raise additional capital on favorable terms, or at all, could be adversely affected; and trade and capital flows may further contract as a result of protectionist measures being introduced in certain markets, which could cause a further slowdown in economies and adversely affect the Bank's business prospects.

Any potential market and economic downturns, economic slowdowns or geopolitical uncertainties in India, its neighbouring countries or regions or the rest of the world may exacerbate the risks relating to the capital markets. In addition, global economic uncertainty and the slowdown in India's economic growth have precipitated, and may continue to raise the possibility of, fiscal, monetary, regulatory and other governmental actions. The Bank cannot predict whether or when such actions may occur, nor can the Bank predict what ultimate impact, if any, such actions or any other governmental actions could have on the Bank's business, results of operations and financial condition. There can be no assurance that India's economy or the global economy will continue to improve or maintain sustainable growth. If further economic downturn occurs or continues, the Bank's business, financial condition and results of operations could be materially and adversely affected. *See further "Description of the Bank".*

Risks Relating to India

Economic conditions in India could adversely affect the Bank's business.

Domestic economic activity remains resilient, as reflected in high frequency indicators. The government's focus on boosting capital expenditure, moderating commodity prices and encouraging robust credit growth are expected to nurture investment activity. However, factors such as weak external demand, geoeconomic fragmentation and protracted geopolitical tensions pose risks to such investment activity.

Taking all these factors into consideration, real GDP growth for 2025-2026 is projected by the RBI at 6.5% overall, with projections for Q1, Q2, Q3 and Q4 at 6.5%, 6.7%, 6.6% and 6.3%, with risks evenly balanced.

Heightened tensions across the geopolitical landscape could have implications for the Bank and its customers.

The ongoing geopolitical and trade tensions between the United States and China, and extending to India, the United Kingdom, the European Union and other countries, may affect the Bank, creating regulatory, reputational and market risks. The United States, the United Kingdom, the European Union, Canada and other

countries have imposed various sanctions and trade restrictions on Chinese individuals and companies. In response, China has announced sanctions, trade restrictions and laws that could potentially impact the Bank and its customers. In addition, the ongoing conflicts in Eastern Europe between Russia and Ukraine and in the Middle East between Hamas and Israel have also disrupted financial markets and have had adverse impact on supply chains and macro-economic conditions.

Further, following the election of Mr. Donald J. Trump as the president of the United States in November 2024, the Trump administration has announced and pursued policies that impact existing and proposed trade agreements, creating uncertainty in global markets. Most recently, President Trump issued executive orders to impose new tariffs on imports from key economic partners of the United States including India.

The United States and/or its trading partners may announce further trade restrictions, the scope and effect of which remain uncertain. Such disruptions and/or trade restrictions can cause raw material, energy and input shortages or cost increases, and can exacerbate prevailing levels of inflation. Any of these factors, which are beyond the Bank's control, could have a material adverse effect on the Indian economy, and in turn the Bank's financial condition and results of operations.

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

According to the Ministry of Statistics and Program Implementation, CPI inflation fell sharply to a six-year low of 2.8 per cent 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 per cent, and it is likely to undershoot the target at the margin as per the projections of the RBI.

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

The Bank's performance and the growth of its business are necessarily dependent on the health of the overall Indian economy. As a result, any slowdown in the Indian economy could adversely affect the Bank's business. The economic growth of India is estimated to grow by 6.5% (according to the RBI) in 2025-2026, compared to 6.5% in fiscal year 2025 and 9.2% in fiscal year 2024. Any substantial decrease in the rate of economic growth or adverse conditions in the Indian economy in general, would be expected to adversely affect the Bank's business, results of operations, financial conditions, and prospects.

A significant change in the Government's policies could adversely affect the Bank's business and the trading price of the Notes.

The Bank is incorporated in India, derive its revenues from operations in India and all of its assets are located in India. Consequently, the Bank's performance may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

The Indian Government has traditionally exercised and continues to exercise a dominant influence over many aspects of the Indian economy. The Government's economic policies have had and could continue to have a significant effect on public sector entities, including the Bank, and on market conditions and prices of Indian securities, including securities issued by the Bank. See "*Regulation and Supervision — The Bank's relationships with the Government and the RBI.*"

In recent years, the Indian governments have generally pursued a course of economic liberalization and deregulation aimed at accelerating the pace of economic growth and development. This has included liberalizing rules and limits for foreign direct investment in a number of important sectors of the Indian

economy, including infrastructure, railways, services, pharmaceuticals and insurance. In addition, the current Indian government has pursued a number of other economic reforms, including the introduction of a goods and services tax, increased infrastructure spending and the ever-evolving IBC.

Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. However, there can be no assurance that such policies will be continued and any significant change in the Government's policies in the future could affect business and economic conditions in India in general. In addition, any political instability in India or geopolitical instability affecting India will adversely affect the Indian economy and the Indian securities markets in general.

There can be no assurance that the government's policies will succeed in their aims, including facilitating high rates of economic growth. Likewise, there can be no assurance that the government will continue with its current policies. New or amended policies may be unsuccessful or have detrimental effects on economic growth. In the past, government corruption scandals and protests against economic reforms, as well as social and ethnic instability and terrorist incidents, have hampered the implementation of economic reform.

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

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

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

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. The dislocation of the sub-prime mortgage loan market in the United States since September 2008, and the more recent European sovereign debt crises, have led to increased liquidity and credit concerns and volatility in the global credit and financial markets. On January 31, 2020, the United Kingdom officially exited the European Union following a UK-EU Withdrawal Agreement signed in October 2019. The United Kingdom and the European Union will have a transition period until December 31, 2020 to negotiate, among others, trade agreements in detail. Given the lack of precedent and uncertainty of the negotiation, the effect of Brexit remains uncertain, and Brexit has and may continue to create a negative economic impact and increase volatility in the global market. A lack of clarity over the process for managing the exit and uncertainties surrounding the economic impact could lead to a further slowdown and instability in financial markets. These and other related events have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States and global credit and financial markets.

In February 2022, a military conflict erupted between Ukraine and Russia, involving a military incursion by Russia into Ukraine. As a result, the United States, the European Union and other countries imposed wide ranging sanctions against Russia and certain Russian entities and individuals connected to the Russian government. The escalating conflict has resulted in great uncertainty in the global markets, which could have an impact on the ability of companies to access capital in the global capital markets and result in liquidity constraints for companies. Any significant decrease in availability of funding through the international capital markets could have an adverse effect on the Bank. Additionally, the conflict between Ukraine and Russia may not be resolved for some time, and the situation could even degenerate even further.

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

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

A downgrade in ratings of India, the Indian banking sector or the Bank may affect the trading price of the Notes.

Because the Bank's foreign currency ratings are pegged to India's sovereign ceiling, any adverse revision to India's credit rating for international debt will have a corresponding effect on the Bank's ratings. India's sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside the Issuer's control. S&P Global Ratings ("S&P"), Fitch Ratings, Inc. ("Fitch") and Moody's Investor Services, Inc ("Moody's") currently have stable outlooks for India. In May 2024, S&P affirmed "BBB-" long-term and "A-3" short-term unsolicited foreign and local currency sovereign credit ratings. The transfer and convertibility assessment remains "BBB+". Going forward, the sovereign ratings outlook will remain dependent on whether the Government adopts a cautious fiscal and monetary policy that diminishes the Government's elevated debt and interest burden while bolstering economic resilience. The positive outlook reflects that continued policy stability, deepening economic reforms, and high infrastructure investment will sustain long-term growth prospects.

See *"— A significant change in the Government's policies could adversely affect the Bank's business and the trading price of the Notes."*

If regional hostilities, terrorist attacks or social unrest in some parts of the country increase, the Bank's business and the trading price of the Notes could be adversely affected.

India has from time to time experienced social and civil unrest and hostilities both internally and with neighbouring countries. These hostilities and tensions may lead to political or economic instability in India and a possible adverse effect on the Bank's business, its future financial performance and the trading price of the Notes. Furthermore, India may also experience social unrest in some parts of the country. If such tensions spread and lead to overall political and economic instability in India, it may adversely affect the Bank's business, future financial performance and the trading price of the Notes.

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

According to an Emergency Event Database, India has been ranked at third position, after the U.S. and China, in recording the highest number of natural disasters since 1900. India recorded 764 instances of natural disasters (e.g., landslide, storm, earthquake, flood, drought, etc.) since 1900, with 402 events occurring during 1900-2000 and 361 during 2001-2022, indicating the preponderance of tail events at an alarming frequency and with each such event setting new records of economic stress. By disaster type, India is marred mostly by floods. Almost 41% of disasters occurred in the form of floods, followed by storms. These events in statistical parlance are commonly called fat-tail events. Since 2001, a total of 1 billion people have been impacted and almost 85,000 people have died due to these disasters since 2001. Apart from the human costs, there have been huge economic losses due to these disasters. Since 1900, India has suffered an economic loss of U.S.\$150 billion (where the loss is reported), with the largest loss recorded due to floods (U.S.\$92.1 billion) followed by storms (U.S.\$44.7 billion).

The occurrence of similar or other natural calamities could have a negative impact on the Indian economy, affecting the Bank's business and potentially causing the trading price of the Notes to decrease.

Investors in the Notes may not be able to enforce a judgment of a foreign court against the Bank, its directors or executive officers.

The Bank is constituted under an Indian statute, the SBI Act. Substantially all of the Bank's Directors and executive officers and key managerial personnel are residents of India and most of the assets of the Bank and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon the Bank or such persons outside India, or to enforce judgments obtained against such parties 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: (a) where it has not been pronounced by a court of competent jurisdiction; (b) where it has not been given on the merits of the case; (c) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (d) where the proceedings in which the judgment was obtained are opposed to natural justice; (e) where it has been obtained by fraud; and (f) 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 of 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, save and except for any reciprocal arrangement that India has with foreign countries such as Singapore, Malaysia, Canada, and Australia under Section 44(b) of the Arbitration and Conciliation Act of 1996.

The United Kingdom, Singapore, Hong Kong and United Arab Emirates, among others, have been declared by the Government of India to be a “reciprocating territory” for the purposes of Section 44A of the Civil Code, but the United States has not been so declared. A judgment of a court of a country which is not a reciprocating territory may be enforced only by a fresh suit resulting in a judgment or order and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. A judgment of a superior court of a country which is a reciprocating territory may be enforced by proceedings in execution, and a judgment not of a superior court, by a fresh suit resulting in a judgment or order. The latter suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Execution of a judgment or repatriation outside of India of any amounts received is subject to the approval of the RBI, wherever required. 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 that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, and is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

Significant differences exist between Indian GAAP and other accounting principles, which may be material to investors’ assessments of the Bank’s financial condition.

The Bank’s financial statements, including the financial statements included in this Offering Circular, are prepared in accordance with Indian GAAP. The Bank has not attempted to quantify the impact of other accounting principles, such as U.S. GAAP or International Financial Reporting Standards (“IFRS”), on the financial data included in this Offering Circular, nor does the Bank provide a reconciliation of its financial statements to those prepared pursuant to U.S. GAAP or IFRS.

GAAP and IFRS differ in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Offering Circular will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Persons not familiar with Indian accounting practices should, accordingly, consult their own professional advisors before relying on the financial disclosures presented in this Offering Circular.

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

On February 16, 2015, the Ministry of Corporate Affairs (the “MCA”) of the Government published the Companies (Indian Accounting Standards) Rules, 2015, which are effective from April 1, 2015, which provides that IFRS converged Indian Accounting Standards (“IND-AS”) will be mandatorily implemented by the companies specified in the roadmap for the accounting periods beginning on or after April 1, 2016, with the

comparatives for the period ended March 31, 2016, or thereafter. However, banking, insurance and non-banking finance companies were exempted from this road map.

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

As per the Reserve Bank of India (Financial Statements – Presentation and Disclosures) Directions, 2021 dated August 30, 2021, as amended or updated from time to time, commercial banks are required to ensure compliance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2021, as amended from time to time, subject to the directions or guidelines issued by the RBI.

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

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

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

The effects of the adoption of Ind-AS are uncertain and any failure to successfully adopt Ind-AS could adversely affect our business, financial conditions and results of operations.

The adoption of Ind-AS would change, among other things, the Bank's methodology for estimating allowances for expected loan losses, and for classifying and valuing its investment portfolio and its revenue recognition policy. For the estimation of expected loan losses, the new accounting standards may require the Bank to calculate the present value of the expected future cash flows realisable from its advances, including the possible liquidation of collateral (discounted at the loan's effective interest rate). This may result in the Bank recognising allowances for expected loan losses in the future that may be higher than under current Indian GAAP. The mark-to-market requirements under Ind-AS may also impact the Bank's revenues and profitability. The Bank has not attempted to quantify the impact of the differences between Indian GAAP and Ind-AS. However, it is possible that the Bank's financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under Ind-AS than under Indian GAAP.

If the Bank is required to report in Ind-AS, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Moreover, the Bank will have to modify its internal control framework and adopt new internal controls to report under Ind-AS. These new internal controls will require, among other things, a transition to more model-based evaluation of certain items, as well as personnel who are adequately knowledgeable about Ind-AS. If the Bank is required to report in Ind-AS, it may encounter difficulties in implementing effective internal controls in a timely manner.

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

India's current account deficit stood at US\$ 23.3 billion (0.6% of GDP) during 2024-25 was lower than US\$ 26.0 billion (0.7% of GDP) during 2023-24, primarily due to higher net invisibles receipts. Net invisibles receipts were higher during 2024-25 than a year ago on account of services and personal transfers. While merchandise trade deficit at US\$ 287.2 billion in 2024-25 was higher than US\$ 244.9 billion in 2023-24. Both Net inflow under FDI and FPI declined to US\$ 1.0 billion and US\$ 3.6 billion during 2024-compared to US\$ 10.2 billion and US\$ 44.1 billion during 2023-24 respectively. The widening trade deficit, combined with lower net capital inflows than in the previous year, led to a depletion in the foreign exchange reserves to the tune of U.S.\$5 billion on a balance of payments basis during 2024-25. Including valuation effects, India's foreign exchange reserves increased by U.S.\$19.8 billion to U.S.\$665.39 billion during 2024-2025. Since April 1, 2025, India's foreign exchange reserves have continued to rise and are valued at U.S.\$697.93 billion for the week ended June 20, 2025.

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

Under the Income-tax Act, 1961 ("IT Act"), there are both specific as well as generic anti-avoidance provisions relating to tax such as transfer pricing provisions and GAAR provisions. Under the transfer pricing provisions, any income arising from an international transaction between two associated enterprises has to be computed having regard to the arm's length price ("ALP"). In the event that the Notes are transferred by a non-resident investor to another non-resident investor and such non-resident investors are associated enterprises, then the transactions must be at ALP and there are necessary consequential compliances.

With respect to GAAR, the provisions came into effect from April 1, 2018. The GAAR provisions intend to cover arrangements that are deemed “impermissible avoidance arrangements,” which are defined under Section 96 of the IT Act, which is any arrangement with the main purpose or one of the main purposes of obtaining a tax benefit and which satisfies at least one of the following tests: (i) create rights, or obligations, which are not ordinarily created between persons dealing at arm’s length; (ii) result, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) are entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. The onus to prove that the transaction is an “impermissible avoidance arrangement” is on the tax authorities. If the GAAR provisions are invoked, then the tax authorities have wide powers, including disregarding, combining or re-characterizing any step in or part or whole of the impermissible avoidance arrangement, considering or looking through any arrangement by disregarding any corporate structure, and the denial of a tax benefit or the denial of a benefit under a tax treaty. An arrangement shall be presumed, unless it is proved to the contrary by the assessee, to have been entered into, or carried out, for the purpose of obtaining a tax benefit, if the main purpose of a step in or a part of the arrangement is to obtain a tax benefit even if the main purpose of the entire arrangement is not to obtain a tax benefit. Once tax authorities invoke the GAAR provisions, they are given the power to deny tax benefit among others. The GAAR provisions are relatively untested. As the taxation system is intended to undergo significant overhaul, its consequent effects cannot be determined, at present with respect to the banking sector. The manner in which these new rules are interpreted and implements and their effects on the Bank’s customers and economic activity generally is uncertain. There can be no assurance that such effects would not adversely affect its business, future financial performance and the trading price of the Notes. Arrangements are presumed to have been entered into or carried out for the main purpose of obtaining a tax benefit when the main purpose of a step in, or a part of, the arrangement is to obtain a tax benefit, notwithstanding the fact that the main purpose of the whole arrangement is not to obtain a tax benefit.

SEBI issued revised corporate governance guidelines under the equity listing agreement which have been effective from October 1, 2014 and April 1, 2015. Pursuant to the revised guidelines, the Bank is required to appoint at least one female director on the Board, establish a mechanism for directors and employees and reconstitute certain committees in accordance with the revised guidelines, among other things. The Bank may face difficulties in complying with any such requirements. Furthermore, the Bank cannot currently determine the impact of provisions of the revised SEBI corporate governance guidelines, which have come into force.

The role of Chairman and Managing Director has been separated in many banks, including public sector banks (“PSBs”), following the recommendations of PJ Nayak Committee (2014). The RBI issued operative guidelines with regard to the appointments of Managing Director and Chief Executive Officer, Whole Time Director, Chairperson, Non-Executive Directors and composition of important committees last month, as part of its measures to strengthen corporate governance standards in commercial banks.

SEBI is in “active discussions” with various stakeholders to bring in greater granularity in disclosures by listed companies in environmental, social and corporate governance space to issue relevant guidelines. RBI has issued instructions dated April 26, 2021, entitled “*Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board*”. In respect of the Bank and nationalized banks, these guidelines would apply to the extent that the stipulations are not inconsistent with provisions of specific statutes applicable to these banks or instructions issued under the statutes.

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

The Indian banking sector is subject to external economic forces.

Elevated economic and trade policy uncertainties are testing the resilience of the global economy and the financial system. Multilateral agencies have downgraded global growth forecasts largely reflecting trade

disruptions and heightened volatility. Financial markets remain volatile, especially core government bond markets, driven by shifting policy and geopolitical environment. Alongside existing vulnerabilities such as soaring public debt levels, excessive risk taking in the non-banking financial sector, and elevated asset valuations have the potential to amplify fresh shocks. As countries confront varying trade-offs between growth and inflation, monetary authorities are charting divergent policy trajectory. Emerging market economies face significant challenges from headwinds emanating from escalating trade tensions, prolonged and intensified geopolitical tensions, and spillovers from advanced economies.

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.

The latest Financial Stability Report (“FSR”) highlights, the resilience of the domestic financial system is continuously improving, bolstered by strong capital buffers, low non-performing loans and robust profitability. Results of stress tests reaffirm the strength of the banking and non-banking sectors with capital levels projected to remain well above the regulatory minimum even under adverse shock scenarios. The healthy balance sheets of corporates, banks and non-bank financial companies (“NBFCs”) augur well for the economy.

Domestic inflation has been steadily declining with the headline consumer price index (“CPI”) inflation recording a six-year low of 2.8 per cent 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.

The financial sector in India has been stable and resilient, as reflected in sustained growth in bank credit, low levels of non-performing assets and adequate capital and liquidity buffers. Both banking and corporate sector balance sheets have been strengthened, engendering a “twin balance sheet advantage” for growth. Banks have bolstered their capital base, with the capital to risk-weighted assets ratio and the common equity Tier I capital ratio reaching historical highs of 17.3% and 14.7%, respectively, in March 2025. Banks have also improved their returns on assets and returns on equity. Their gross non-performing assets (“GNPA”) ratio fell to multi-decadal lows of 2.3 %, and provision coverage ratio rose to 76.3%. According to the RBI’s financial stability report released in June 2025, the healthy corporate balance sheet augur well for the economy. The capital levels projected to remain well above the regulatory minimum even under adverse shock scenarios. In fact, an RBI report states that the debt-to-equity ratio of private (non-financial) companies fell from approximately 0.62% to 0.4% between FY 2021 and FY 2025. All these suggest that we are in a better position to expand the business now. The reach and depth of financial intermediation is being aided by technology and growing digitalization, which provide new opportunities for growth and financial inclusion.

On June 30, 2025, the RBI released the 31st issue of the Financial Stability Report (“FSR”), which reflects the collective assessment of the Sub-Committee of the Financial Stability and Development Council (“FSDC”) on the resilience of the Indian financial system and risks to financial stability.

Key Highlights are as follows:

- Elevated economic and trade policy uncertainties are testing the resilience of the global economy and the financial system.

- Financial markets remain volatile, especially core government bond markets, driven by shifting policy and geopolitical environment. Alongside, existing vulnerabilities such as soaring public debt levels and elevated asset valuations have the potential to amplify fresh shocks.
- Despite an uncertain and challenging global economic backdrop, the Indian economy remains a key driver of global growth, underpinned by sound macroeconomic fundamentals and prudent macroeconomic policies.
- The domestic financial system is exhibiting resilience fortified by healthy balance sheets of banks and non-banks. Financial conditions have eased supported by accommodative monetary policy and low volatility in financial markets. The strength of the corporate balance sheets also lends support to overall macroeconomic stability.
- The soundness and resilience of SCBs are bolstered by robust capital buffers, multi-decadal low non-performing loans ratio and strong earnings.
- Results of macro stress tests affirm that most SCBs have adequate capital buffers relative to the regulatory minimum even under adverse stress scenarios. Stress tests also validate the resilience of mutual funds and clearing corporations.
- Non-banking financial companies (“**NBFCs**”) remain healthy with sizable capital buffers, robust earnings and improving asset quality.
- The consolidated solvency ratio of the insurance sector also remains above the minimum threshold limit.

The Monetary Policy Committee (“**MPC**”) of the RBI published its bi-monthly policy statement on June 6, 2025. Some of the key announcements are as follows:

- After assessing the current and evolving macroeconomic situation, the MPC voted to reduce the policy repo rate by 50 basis points (bps) to 5.50 per cent with immediate effect.
- Consequently, the standing deposit facility (“**SDF**”) rate under the liquidity adjustment facility (“**LAF**”) shall stand adjusted to 5.25 per cent and the marginal standing facility (“**MSF**”) rate and the Bank Rate to 5.75 per cent.
- This decision is in consonance with the objective of achieving the medium-term target for consumer price index (“**CPI**”) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth.

As of March 2025, the capital to risk weighted assets ratio (“**CRAR**”) of SCBs increased to a record high of 17.3 per cent. 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 per cent.

The CET1 capital ratio of the select 46 banks may rise from 14.6 per cent in March 2025 to 15.2 per cent by March 2027 under the baseline scenario. However, it may fall to 12.5 per cent under adverse scenario 1, and to 12.9 per cent under adverse scenario 2. None of the banks would breach the regulatory minimum requirement of 5.5 per cent under any of these scenarios.

The Bank has little or no control over any of these risks or trends and may be unable to anticipate changes in economic conditions. Adverse effects on the Indian banking system could impact the Bank’s funding,

profitability, asset quality or NPAs and adversely affect the Bank's business growth and, as a result, impact future financial performance and the trading price of the Notes.

Risks Relating to the Notes

The Notes may not be a suitable investment for all investors.

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

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

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

The Notes are unsecured obligations, the repayment of which may be jeopardized in certain circumstances.

Because the Notes are unsecured obligations, their repayment may be compromised if:

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

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

Payment of principal of the Notes may be accelerated only in certain events involving the Bank's bankruptcy, winding-up or dissolution or similar events, or if certain conditions have been satisfied.

The Notes are not guaranteed by the Republic of India.

The Notes are not the obligations of, or guaranteed by, the Government. Although the Government owned 56.92% of the Bank's issued share capital as of March 31, 2025, the Government is not providing a guarantee in respect of the Notes. In addition, the Government is under no obligation to maintain the solvency of the Bank. Therefore, investors should not rely on the Government ensuring that the Bank fulfills its obligations under the Notes.

Notes issued as green bonds may not be a suitable investment for all investors seeking exposure to green assets.

The Bank may issue Notes under the Program as green bonds and the proceeds from the issuance of green bonds, as and when issued by the Issuer under the Program, will be applied towards investment in Eligible Green Projects. The Bank has agreed that Eligible Green Projects will broadly cover projects that fulfil certain criteria under the Climate Bonds Standard (see "*Use of Proceeds*").

There is currently no market consensus on what precise attributes are required for a particular project to be defined as "green", and therefore no assurance can be provided to potential investors that the relevant Eligible Green Projects will continue to meet the relevant evaluation and eligibility criteria. Although applicable green projects are expected to be selected in accordance with the categories recognized by the ICMA Green Bond Principles and the Bank's evaluation criteria as described in the section titled "*The Issuer's ESG Financing Framework*", there can be no guarantee that adverse environmental and/or social impacts will not occur during the design, construction, commissioning and/or operation of any such green projects. Where any negative impacts are insufficiently mitigated, green projects may become controversial and/or may be criticized by activist groups or other stakeholders.

Prospective investors should have regard to the relevant evaluation and eligibility criteria described in this Offering Circular. Each potential purchaser of any green bonds should determine for itself the relevance of the information contained in this Offering Circular and regarding the use of proceeds and its purchase of any green bonds should be based upon such investigation as it deems necessary.

Where the AMTNs are lodged with the Austraclear System, investors will have to rely on the procedures of Austraclear for transfer, payment and communication with the Issuers.

AMTNs will be issued in registered certificated form. Each Tranche of AMTNs will be represented by an AMTN Certificate. Each AMTN Certificate is a certificate representing the AMTNs of a particular Tranche and will be substantially in the form set out in the Note (AMTN) Deed Poll, duly completed and signed by the Issuers and authenticated by a registrar in Australia in respect of AMTNs. An AMTN Certificate is not a negotiable instrument nor is it a document of title. Title to any AMTNs, which is the subject of an AMTN Certificate, is evidenced by entry in the A\$ Register and, in the event of a conflict, the A\$ Register shall prevail (subject to correction for fraud or proven error).

The Issuers may procure that the AMTNs are lodged with the Austraclear System. On lodgment, Austraclear will become the sole registered holder and legal owner of the AMTNs. Subject to the rules and regulations of the Austraclear System (the "**Austraclear System Regulations**") established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System, participants of the Austraclear System ("**Accountholders**") may acquire rights against Austraclear in relation to those AMTNs as beneficial owners and Austraclear is required to deal with the AMTNs in accordance with the directions and instructions of the Accountholders. Investors in AMTNs who are not Accountholders would need to hold their interest in the relevant AMTNs through a nominee who is an Accountholder. All payments made by the Issuers in respect of AMTNs lodged with the Austraclear System will be made directly to an account agreed with Austraclear or as it directs in accordance with the Austraclear System Regulations.

Where the AMTNs are lodged with the Austraclear System, any transfer of AMTNs will be subject to the Austraclear System Regulations. Secondary market sales of AMTNs cleared through the Austraclear System will be settled in accordance with the Austraclear System Regulations.

An active trading market for the Notes may not develop.

There can be no assurance as to the liquidity of the Notes or that an active trading market will develop. If such a market were to develop, the Notes may trade at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, the Issuer's operations and the market for similar securities. The Dealers are not obligated to make a market in the Notes and any such market making, if commenced, may be discontinued at any time at the sole discretion of the relevant Dealers. No assurance can be given as to the liquidity of, or trading market for, the Notes.

Investment in the Notes may subject investors to foreign exchange risks.

The Notes, as and when issued, will be denominated and payable in the applicable Specified Currency. If an investor measures its investment returns by reference to a currency other than the applicable Specified Currency, an investment in the Notes entails foreign exchange-related risks, including possible significant changes in the value of the applicable Specified Currency relative to the currency by reference to which an investor measures its investment returns, due to, among other things, economic, political and other factors over which the Bank has no control. Depreciation of the applicable Specified Currency against such currency could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss when the return on the Notes is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign exchange gains resulting from any investment in the Notes.

The Bank is not prohibited from issuing further debt which may rank pari passu with the Notes.

There is no restriction on the amount of debt securities that the Bank may issue that rank *pari passu* with the Notes. The issue of any such debt securities may reduce the amount recoverable by investors in the Notes upon the Bank's bankruptcy, winding-up or liquidation. As of March 31, 2025, the Bank had Rs. 4,637.34 billion of outstanding borrowings (debts) that ranks *pari passu* with the outstanding Notes.

Payments made on the Notes are subordinated to certain tax and other liabilities preferred by law.

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

A downgrade in ratings may affect the trading price of the Notes.

Any ratings assigned to the Notes that may be issued under the Program do not reflect the Bank's ability to make timely payments of principal and interest on senior unsecured debts. A rating is not a recommendation to buy, sell or hold any security, does not address the likelihood or timing of repayment of the Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization. There can be no assurance that the ratings assigned to it or the Notes will remain in effect for any given period or that the ratings will not be revised by the rating agencies in the future if, in their judgment, circumstances so warrant. A downgrade in ratings may affect the trading price of the Notes.

The Notes are subject to transfer restrictions.

The Notes will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States except to QIBs in reliance on the exemption from the registration requirement of the Securities Act provided by Rule 144A, and may be offered and sold only to certain persons in offshore transactions in reliance on Regulation S, or pursuant to another exemption from, or in another transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable state securities laws. For a further discussion of the transfer restrictions applicable to the Notes, see “*Transfer and Marketing Restrictions.*”

The Notes (other than AMTNs) are governed by English law.

The terms and conditions of the Notes (other than AMTNs) are governed by English law and, in the case of AMTNs, the law of New South Wales, Australia. No assurance can be given as to the impact of any possible judicial decision or change in English law or Australian law or administrative practice after the date of the issue of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

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

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

Payments under the Notes may be subject to RBI guidelines regarding remittances of funds outside India.

If the Bank is unable to make payments with respect to the Notes from its overseas branches and instead makes payments from India, such payments shall be subject to RBI regulations governing the remittance of funds outside of India. The Bank is under no obligation to maintain liquidity at its overseas branches to make interest payments due on the Notes. Any approval for the remittance of funds outside of India is at the discretion of the RBI and the Bank can give no assurance that it will be able to obtain such approvals.

The interest rate on the Notes may be reset, which may affect the market value of the Notes.

The interest rate on the Notes may be reset and this reset rate could be less than the initial rate of interest and/or the interest rate that applies immediately prior to such reset, which could affect the amount of any interest payments under the Notes and so the market value of an investment in the Notes.

Risks Relating to the Subordinated Notes

The Notes which are Subordinated Notes are subordinated and have only limited rights of acceleration.

The relevant Pricing Supplement may specify that the Notes will be Subordinated Notes (as defined in Condition 1 of the Terms and Conditions of the Notes) which will be subordinated obligations of the Bank. The Subordinated Notes will constitute unsecured and subordinated obligations of the Bank. Each of the Additional Tier 1 Notes and the Tier 2 Notes will rank *pari passu* and without preference among the Additional Tier 1 Notes and the Tier 2 Notes respectively. The Subordinated Notes are not deposits and are not insured by the Bank or guaranteed or insured by any party related to the Bank and they may not be used as collateral for any loan made by the Bank. In the event of a liquidation or winding up (as determined pursuant to the SBI Act) of the Bank, the claims of the holders of Tier 2 Notes and any relative receipts pursuant thereto will be subordinated

in right of payment to the claims of all other creditors (other than claims of holders of Subordinated Indebtedness (as defined in the terms and conditions of the Notes) ranking equal to or lower than the claims of the holders of Tier 2 Notes and any relative receipts, if any) of the Bank in the manner and to the extent provided in the Trust Deed. In the event of a liquidation or winding up (as determined pursuant to the SBI Act) of the Bank, claims in respect of the Additional Tier 1 Notes will rank: (a) senior to the claims of investors in equity shares and perpetual non-cumulative preference shares of the Bank; (b) subordinate to the claims of all depositors and general creditors and holders of subordinated debt of the Bank other than any subordinated debt qualifying as Additional Tier 1 Capital (as defined in the terms and conditions of the Notes) of the Bank (as defined under the RBI Guidelines); and (c) *pari passu* and without preference among themselves and with any other claims in respect of debt instruments classified as Additional Tier 1 Capital under the RBI Guidelines and, to the extent permitted by the RBI Guidelines, with any subordinated obligation that was eligible for inclusion in hybrid Tier I capital under the then prevailing Basel II guidelines of the RBI. As a consequence of these subordination provisions, in the event of a winding-up of the Bank's operations in accordance with the SBI Act, the holders of the Subordinated Notes may recover proportionately less than the holders of more senior-ranking liabilities, including the Bank's deposit liabilities and other unsubordinated liabilities.

In the event of the Bank's winding-up or liquidation, holders of Subordinated Notes may claim for the Outstanding Nominal Amount of their Notes (that is, the amount of such Notes following any Write-Down or, in the case of Additional Tier 1 Notes, Reinstatements) plus any accrued but unpaid interest. Furthermore, if the Bank's indebtedness were to be accelerated, its assets may be insufficient to repay in full borrowings under all such debt instruments, including the Notes.

Subordinated Notes may be subject to write off on the occurrence of a PONV Trigger Event, or, in the case of Additional Tier 1 Notes only, a CET1 Trigger Event.

The Basel Committee recommended a number of fundamental reforms to the regulatory capital framework for internationally active banks which are designed, in part, to ensure that capital instruments issued by such banks fully absorb losses before tax payers are exposed to loss (the "**Basel III Reforms**"). The principal elements of the Basel III Reforms are set out in the Basel Committee paper dated December 16, 2010 (as revised in June 2011) and in a press release dated January 13, 2011. The Basel III Reforms were implemented in India, through the Basel III Guidelines, with effect from April 1, 2013, and have been fully implemented as on October 1, 2021. Banks are required to comply with the regulatory limits and minima as prescribed under the Basel III capital regulations on an ongoing basis.

The Basel III Reforms include a requirement for all Additional Tier 1 instruments and Tier 2 instruments (such as the Additional Tier 1 Notes and the Tier 2 Notes) to be written off or converted into ordinary shares upon the occurrence of a PONV Trigger Event (the "**PONV rule**"). The PONV rule may be met contractually (by the inclusion of appropriate provisions in the terms and conditions of the instrument) or by the existence of laws in a jurisdiction that give relevant authorities appropriate powers. In India, the PONV rule has been implemented as a requirement for appropriate provisions to be included in the terms and conditions of the instrument. A "**PONV Trigger Event**" under the Indian regulations means, in respect of the Bank or the Group, the earlier of: (a) a decision that a write-down, without which the Bank or the Group (as the case may be) would become non-viable, is necessary, as determined by the RBI; and (b) the decision to make a public sector injection of capital, or equivalent support, without which the Bank or the Group (as the case may be) would have become non-viable, as determined by the RBI. The Subordinated Notes will be permanently written-down on the occurrence of such PONV Trigger Event (see Condition 9.1). In the event of a Write-Down, investors may lose the entire amount of their investment in any Subordinated Notes. In the event that a PONV Trigger Event or CET1 Trigger Event (in the case of Additional Tier 1 Notes only) occurs, all or some of the rights of holders of Subordinated Notes and the Receipts and Coupons relating to them shall be subject to Write-Down.

This may not result in the same outcome for Subordinated Noteholders as would have occurred upon the occurrence of any winding-up proceedings of the Bank.

Furthermore, upon the occurrence of a Write-Down of any Subordinated Notes, the right to receive interest on any portion of a nominal amount Written-Down will cease and all interest amounts that were not due and payable prior to the Write-Down shall be cancelled. Consequently, Noteholders will not be entitled to receive any interest that has accrued on such portion of a nominal amount of Subordinated Notes Written Down from (and including) the last Interest Payment Date falling on or prior to the Loss Absorption Event Notice. In the case of a Write-Down in respect of a PONV Trigger Event only, any such Write-Down will be permanent and the Noteholders will, upon the occurrence of such Write-Down, not receive any shares or other participation rights of the Bank or be entitled to any other participation in the upside potential of any equity or debt securities issued by the Bank, or be entitled to any subsequent write-up or any other compensation in the event of a recovery of the Bank.

It will be difficult to predict when, if at all, a principal Write-Down of Subordinated Notes will occur. The RBI has provided limited guidance as to how it would determine non-viability. Under RBI regulations, non-viability could result from the Bank's financial and other difficulties likely to result in financial losses and affect its ability to continue as a going concern. Non-viability may be declared if the resultant augmentation of equity is likely to restore depositors' and investors' confidence or improve the rating and creditworthiness of the Bank. However, it is possible that the RBI's position on these matters may change over time. Non-viability may be significantly impacted by a number of factors, including factors which affect the business, operation and financial condition of the Bank. For instance, systemic and non-systemic macroeconomic, environmental and operational factors, domestically or globally, may affect the viability of the Bank. Accordingly, trading behavior in respect of any Additional Tier 1 Notes or Tier 2 Notes may not follow the trading behavior associated with other types of securities. Potential investors in any Additional Tier 1 Notes or Tier 2 Notes should consider the risk that a holder may lose all of its investment, including the principal amount plus any accrued interest, if such regulatory loss absorption measures are acted upon.

Furthermore, there can be no assurance that the Basel Committee will not propose further amendments to the Basel Accord or that the relevant authorities in India will not impose requirements on banks that are more onerous than those contained in the Basel III Reforms. Further changes in law after the date hereof may affect the rights of holders of the Subordinated Notes, as well as the market value of the Subordinated Notes.

In addition, Additional Tier 1 Notes will be Written-Down upon the occurrence of a CET1 Trigger Event. If the Bank's or the Group's Common Equity Tier 1 Ratio is at or below 6.125%, accrued interest on the Additional Tier 1 Notes will be cancelled and the Outstanding Nominal Amount of the Additional Tier 1 Notes may be reduced (see Condition 9.2 of the terms and conditions of the Notes). Holders may lose all or some of their investment as a result of a Write-Down. During the period of any Write-Down, interest will accrue on the Outstanding Nominal Amount of the Additional Tier 1 Notes, which shall be lower than their Issued Nominal Amount.

Following a Write-Down pursuant to a CET1 Trigger Event, the Outstanding Nominal Amount of the relevant Additional Tier 1 Notes may be increased up to the Maximum Reinstatement Amount (each as defined in the Conditions). However, such Reinstatement is at the discretion of the Issuer and is subject to any conditions specified in (i) the applicable Pricing Supplement or (ii) the RBI Guidelines, or as are otherwise notified to the Issuer by the RBI, from time to time. There can be no assurance that the Issuer will, or will be able to, exercise its discretion to reinstate any principal amount of Additional Tier 1 Notes which has been Written-Down.

The market price of the Additional Tier 1 Notes is expected to be affected by fluctuations in the Bank's and/or the Group's Core Equity Tier 1 Capital Ratio. Any indication that the Bank's and/or the Group's Core Equity Tier 1 Capital Ratio is trending towards 6.125% may have an adverse effect on the market price of the

Additional Tier 1 Notes. The level of the Bank's and/or the Group's Core Equity Tier 1 Capital Ratio may significantly affect the trading price of the Additional Tier 1 Notes.

The terms of the Subordinated Notes contain no limitation on issuing debt or senior or pari passu securities.

The Additional Tier 1 Notes, the Tier 2 Notes, the Trust Deed and the Agency Agreement do not limit the amount of liabilities ranking senior to the relevant Subordinated Notes which may be hereafter incurred or assumed by the Bank. Pursuant to Condition 3.2 and 3.3 of the terms and conditions of the Notes respectively, the Additional Tier 1 Notes will rank *pari passu* with the claims of subordinated obligations of the Bank which rank, or are expressed to rank, *pari passu* with the claims in respect of the Additional Tier 1 Notes, and any subordinated obligations of the Bank that were eligible for inclusion in hybrid Tier 1 capital under the Basel II guidelines, only to the extent permitted by the RBI guidelines at the relevant time, and the Tier 2 Notes will rank *pari passu* with the claims of subordinated obligations of the Bank which rank, or are expressed to rank, *pari passu* with the claims in respect of the Tier 2 Notes. As at the date of this Offering Circular, the interpretation of the RBI guidelines on this point is unclear. Accordingly, investors should be aware that a particular series of the Additional Tier 1 Notes may rank junior to other Additional Tier 1 Notes and any outstanding instrument that qualified as hybrid tier I capital under the Basel II Guidelines in any winding-up proceedings of the Bank.

The Bank may vary the terms of Subordinated Notes.

The Bank may, without the consent or approval of the Noteholders or the Trustee, but subject to the prior approval of the RBI, vary the terms of any Subordinated Notes, so that they remain or, as appropriate, become Qualifying Subordinated Notes, subject to certain conditions. The terms of such varied Subordinated Notes may contain one or more provisions that are substantially different from the terms of the original Notes, provided that the Subordinated Notes remain Qualifying Subordinated Notes in accordance with the Conditions. While the Bank cannot make changes to the terms of the Subordinated Notes that would result in the varied securities having terms and conditions materially less favorable to a Noteholder than the Subordinated Notes, the Bank will determine whether such terms and conditions are materially less favorable and will not be required to take into account the tax treatment of the varied securities in the hands of all or any holder of Subordinated Notes. Furthermore, the Trustee has no obligation or ability to verify whether the requirements for such variations have been satisfied and will have no discretion in determining whether any such variation results in terms that are materially less favorable to the holders of Subordinated Notes. Accordingly, the tax and stamp duty consequences of holding such varied Notes could be different for some categories of Noteholder from the tax and stamp duty consequences of holding the Notes prior to such variation.

Upon the occurrence of a PONV Trigger Event or a CET1 Trigger Event, clearance and settlement of the Subordinated Notes will be suspended and there may be a delay in updating the records of the relevant clearing system to reflect the amount Written-Down.

Following the receipt of a Loss Absorption Event Notice, all clearance and settlement of the Subordinated Notes will be suspended. As a result, Noteholders will not be able to settle the transfer of any Subordinated Notes during the Suspension Period (as defined in the Terms and Conditions of the Notes) and any sale or other transfer of the Subordinated Notes that a Noteholder may have initiated prior to the commencement of the Suspension Period, that is scheduled to settle during the Suspension Period, will be rejected by the relevant clearing system and will not be settled within the relevant clearing systems. The update process of the relevant clearing system may only be completed after the date on which the Write-Down is scheduled. Notwithstanding such delay, holders of the Subordinated Notes may lose the entire value of their investment in the Subordinated Notes on the date on which the Write-Down occurs. No assurance can be given as to the period of time required by the relevant clearing system to complete the update of their records or the

availability of procedures in the relevant clearing systems to effect any Write-Down. Furthermore, the conveyance of notices and other communications by the relevant clearing system to their respective participants, by those participants to their respective indirect participants, and by the participants and indirect participants to beneficial owners of interests in the Global Note will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Interest amounts on the Additional Tier 1 Notes are not cumulative. Interest amounts may be cancelled at the Bank's discretion and must not be paid in certain circumstances.

Interest amounts on the Additional Tier 1 Notes are discretionary and non-cumulative. The Bank may elect at its full discretion not to pay and, in the circumstances outlined below, must not pay, all or some of the interest falling due on the Additional Tier 1 Notes on any Interest Payment Date. Any interest not so paid on any such Interest Payment Date shall be cancelled and shall no longer be due and payable by the Bank. A cancellation of interest pursuant to Condition 6.7 of the terms and conditions of the Notes does not constitute a default under the Additional Tier 1 Notes for any purpose.

Further, pursuant to Condition 6.7 of the terms and conditions of the Notes, the Bank may only pay interest on the Additional Tier 1 Notes to the extent that such payment of interest is permitted to be paid under the RBI Guidelines. Where the current year's profits are not sufficient and such payment needs to be made out of revenue reserves, such payments are subject to the Bank meeting its minimum regulatory capital requirements at all times, including the requirements of capital buffer frameworks (i.e. capital conservation buffer, countercyclical capital buffer and Domestic Systemically Important buffers) as set out in the RBI Guidelines. A failure to meet these requirements will result in a mandatory cancellation of interest payments.

Condition 6.7 of the Terms and Conditions of the Notes sets out the circumstances in which the Bank is required to cancel interest payments on Additional Tier 1 Notes pursuant to the RBI Guidelines. Investors should be aware that any change to the RBI Guidelines requiring the Bank to cancel interest payments in other or additional circumstances could be complied with by the Bank through its general discretion to cancel interest payments under Condition 6.7.

In addition, if the Bank's total Common Equity Tier 1 capital does not exceed the amount required to fulfil its capital buffer requirement (including the capital conservation buffer and any countercyclical capital buffer and D-SIBs buffer), the Bank will be required to conserve a percentage of its earnings (including through cancellation of interest payments on Tier 1 capital instruments such as the Additional Tier 1 Notes) in accordance with the following table:

Minimum Capital Adequacy Ratios (%)	As of March 31,		
	2023	2024	2025
Common Equity Tier 1 (CET 1)	5.50	5.50	5.50
Capital Conservation Buffer (CCB).....	2.50	2.50	2.50
D-SIB.....	0.60	0.60	0.60
Minimum CET 1 + CCB + D-SIB	8.60	8.60	8.60
Minimum Tier I Capital	7.00	7.00	7.00
Minimum Tier I Capital + CCB + D-SIB .	10.10	10.10	10.10
Minimum Total Capital	9.00	9.00	9.00
Minimum Total Capital + CCB + D-SIB..	12.10	12.10	12.10

	As of March 31,		
Minimum Capital Adequacy Ratios (%)	2023	2024	2025

Note:

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. The applicable D-SIB rate on the Bank is 0.60%, 0.60% and 0.60%, as of March 31, 2023, 2024 and 2025 which is now increased to 0.80% of RWAs with effect from April 1, 2025.

Any actual or anticipated cancellation of interest on the Additional Tier 1 Notes will likely have an adverse effect on the market price of Additional Tier 1 Notes. In addition, as a result of the interest cancellation provisions of the Additional Tier 1 Notes, the market price of the Additional Tier 1 Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation and may be more sensitive generally to adverse changes in the Bank’s financial condition.

The Additional Tier 1 Notes have no fixed maturity date and investors have no right to call for redemption of the Additional Tier 1 Notes.

The Additional Tier 1 Notes are perpetual unless the Bank elects to redeem the Additional Tier 1 Notes to the extent allowed by the Terms and Conditions of the Notes, the applicable pricing supplement and the applicable RBI Guidelines. Accordingly, the Additional Tier 1 Notes have no fixed final redemption date. In addition, holders of the Additional Tier 1 Notes have no right to call for the redemption of the Additional Tier 1 Notes. Although the Bank may redeem the Additional Tier 1 Notes at its option on the Optional Redemption Date or at any time following the occurrence of certain tax and regulatory events, there are limitations on redemption of the Additional Tier 1 Notes, including obtaining the prior written approval of the RBI and satisfaction of any conditions that the RBI and other relevant Indian authorities may impose at the time of such approval. During any period when the Bank may elect to redeem or vary the terms of the Additional Tier 1 Notes, the market value of the Additional Tier 1 Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. As such, the optional redemption feature that the Bank has upon the occurrence of certain tax and regulatory events prior to the first Optional Redemption Date may result in the Additional Tier 1 Notes not being redeemed at their market value.

There is no assurance that the holders of the Additional Tier 1 Notes will be able to reinvest the amount received upon redemption at a rate that will provide the same rate of return as their investment in the Additional Tier 1 Notes. During any period when the Bank may redeem the Additional Tier 1 Notes, the market value of the Additional Tier 1 Notes generally will not rise substantially above the Early Redemption Amount (as defined in the Conditions) payable. Potential investors should consider re-investment risk in light of other investments available at that time.

Investors will have limited rights under the Additional Tier 1 Notes.

Holders of the Additional Tier 1 Notes will not be entitled to receive notice of, or attend or vote at, any meeting of shareholders of the Bank or participate in the management of the Bank, except in limited circumstances (including certain instances of failure by the Bank to make payments of amounts due in relation to the Additional Tier 1 Notes). In the event of a default in payment on the Additional Tier 1 Notes, investors

will have no right to accelerate payments on the Additional Tier 1 Notes, except if a court order is made or an effective resolution is passed for the winding up of the Bank.

The regulation and reform of “benchmarks” may adversely affect the value of Notes linked to or referencing such “benchmarks”.

Interest rates and indices which are deemed to be “benchmarks” (including, but not limited to, EURIBOR) are the subject of recent international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely or to have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Note linked to or referencing such a benchmark.

More broadly, any of the international reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

It is not possible to predict with certainty whether, and to what extent, EURIBOR and/or other benchmark rates will continue to be supported going forwards. This may cause EURIBOR and/or other benchmark rates to perform differently than they have done in the past and may have other consequences which cannot be predicted. The elimination of any benchmarks, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark, (ii) trigger changes in the rules or methodologies used in the benchmark; or (iii) lead to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Investors should consult their own independent advisors and make their own assessment about the potential risks imposed by any international reforms in making any investment decision with respect to any Notes linked to or referencing a “benchmark”.

Risks relating to an investment in Rupee denominated Notes

Rupee denominated Notes are subject to selling restrictions and may be transferred only to a limited pool of investors.

Rupee denominated Notes are subject to selling restrictions and may be transferred only to a limited pool of investors.

Rupee denominated Notes can only be issued to and held by: (a) investors resident in jurisdictions which are a member of the FATF or a member of an FATF-style regional body and should not be a country identified in the public statement of the FATF as: (i) a jurisdiction having a strategic anti-money laundering or combating the financing of terrorism deficiencies to which counter measures apply; or (ii) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies; or (b) an investor who is a resident of a country whose securities market regulator is a signatory to IOSCO’s ‘Multilateral Memorandum of Understanding (Appendix A Signatories)’ or a signatory to a bilateral ‘Memorandum of Understanding’ with the SEBI for information sharing arrangements.

The Rupee denominated Notes can only be sold, transferred or offered as security overseas subject to compliance with aforesaid FATF requirements or IOSCO jurisdictional requirements.

The investor should be a resident of an FATF or IOSCO-compliant country, including upon transfer of the Notes. However: (a) multilateral and regional financial institutions where India is a member country will also be considered as recognized investors; (b) individuals as investors can only be permitted if they are foreign equity holders or for subscription to the Notes listed abroad; and (c) foreign branches or subsidiaries of Indian banks are permitted to be investors in the case of Notes denominated in a foreign currency. Further, foreign branches or subsidiaries of Indian banks (subject to applicable prudential guidelines issued by the RBI) can participate as arrangers, underwriters, market-makers or traders for Rupee denominated Notes issued overseas.

Rupee denominated Notes are subject to exchange rate risks and exchange controls.

India maintains a managed floating exchange rate system under which market forces determine the exchange rate for INR. Under RBI's policies, the RBI may, intervene to maintain orderly market conditions and limit sharp fluctuations in the exchange rate. Interventions by the RBI have taken the form of transparent measures and have included clearly delineated periods and amounts involved, as well as the explanations for these actions. RBI's foreign exchange policy objectives include maintaining price stability, promoting and maintaining monetary stability and the convertibility of the INR, protecting its international reserves during times of impending or ongoing exchange crises or national emergencies. Rupee denominated Notes are denominated in INR and payable in foreign currency. This entails risks which are not associated with a similar investment in a foreign currency-denominated security. Such risks include, without limitation, the possibility of significant changes in the exchange rate between INR and the relevant foreign currency if such currency risk is unhedged by an investor, or the possibility of imposition or modification of exchange controls by the RBI. Such risks are usually dependent on various economic and political events over which the Issuer does not have any control. Recently, exchange rates have been volatile and such volatility is expected in the near future as well, so the risk pertaining to exchange rate fluctuation persists. However, the recent fluctuations in exchange rates are not indicative in nature. If INR depreciates against the relevant foreign currency the effective yield on the Rupee denominated Notes will decrease below the interest rate on the global bonds, and the amount payable on maturity may be less than the investment made by the investors. This could result in a total or substantial loss of the investment made by the investor towards the Rupee denominated Notes. Rates of exchange between the foreign currency and INR may be significantly varied over time. However, historical trends do not necessarily indicate future fluctuations in rates, and should not be relied upon as indicative of future trends. Political, economic or stock exchange developments in India or elsewhere could lead to significant and sudden changes in the exchange rate between INR and the relevant foreign currency. Furthermore, the overseas investors are eligible to hedge the above mentioned exchange rate risk only by way of permitted derivative products with: (i) AD Category Banks in India; (ii) the offshore branches or subsidiaries of Indian Banks; or (iii) branches of foreign banks having a presence in India.

Rupee Denominated Notes are not freely convertible.

Rupee denominated Notes are not freely convertible. The Indian Rupee is not a freely convertible currency. The convertibility of a currency is dependent, *inter alia*, on international and domestic political and economic factors, and on measures taken by governments and central banks. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by revaluation or devaluation of a currency, or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates and the availability of a specified currency. The taking of any one or more of such aforementioned measures could adversely affect the value of the Rupee denominated Notes, as well as any amount which may be payable upon redemption of the Notes. Early redemption of Rupee denominated Notes may require an approval from the RBI. Early redemption of Rupee denominated Notes prior to its stated maturity (whether as a result of an event of default or any early redemption event) requires prior approval from the RBI or the authorized dealer bank ("**AD Bank**"), as the case may be. Compliance with any conditions

specified in any such RBI or AD Bank approval will be required on a mandatory basis. There can be no assurance that the RBI or the AD Bank will provide such approval in a timely manner or at all.

Early redemption of Rupee denominated Notes prior to its stated average maturity or its stated maturity requires prior RBI or AD Bank approval, as the case may be.

Early redemption of Rupee denominated Notes may require approval from the RBI. Any early redemption of the Rupee denominated Notes prior to its stated maturity (whether as a result of an event of default or any early redemption event) may require the prior approval of the RBI or the AD Bank, as the case may be. Compliance with any conditions specified in any such RBI approval or AD Bank approval will be required. There can be no assurance that the RBI or the AD Bank will provide such an approval in a timely manner or at all.

DESCRIPTION OF THE BANK

Overview

The Bank is India's largest bank, with 22,937 branches in India, 244 international offices in 29 countries and more than 520 million customer accounts as of March 31, 2025. The Group had deposits, advances and a total assets base of Rs. 53,821.90 billion, Rs 41,633.12 billion and Rs. 66,760.53 billion, respectively, as of March 31, 2025. As of March 31, 2025, the Bank's market share is 22.54% in Deposits and 19.36% in Advances.

The Government of India 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 Bombay Stock Exchange ("BSE") and the National Stock Exchange of India ("NSE") and its global depositary receipts are listed on the London Stock Exchange. As of March 31, 2025, the Bank had a market capitalization of approximately Rs. 7,139.70 billion.

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

- The Corporate Accounts Group, which provides corporate banking services to corporations and institutions based on quality (external or internal rating) of the account, the potential to do business, and the client's reputation or strategic importance, to focus on the highest priority and quality individual and group relationships with differentiated coverage.
- The Commercial Clients Group, which provides corporate banking services to corporations and institutions other than having a relationship with the Corporate Accounts Group and enjoying credit facilities of more than Rs. 0.5 billion.
- The Retail Business and Operations ("RB&O") Group services the Bank's personal banking customers in urban, metropolitan, rural and semi-urban areas, small-scale industries, including state-owned enterprises, and corporate customers which are not serviced by either the Corporate Accounts Group or the Commercial Clients Group. The RB&O Group also provides financial services to the Government and state governments.
- The International Banking Group, which through its international branches, subsidiaries, representative offices and joint ventures, provides a range of international banking services to Indian and foreign companies with operations within and outside India, non-resident Indians in international markets, as well as the local population in such jurisdictions.
- The Global Markets Unit, which is responsible for the Bank's treasury functions, managing domestic liquidity, its investment portfolio and foreign currency exposure. The Global Markets Unit also provides foreign exchange and risk hedging derivative products.
- The Stressed Assets Resolution Group, which is responsible for managing the Bank's NPAs in accordance with the Bank's credit policy and procedures committee's policies, including managing the feasibility of restructuring of debt.

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

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, representing 91.28% of the Group's total assets as of March 31, 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 year 2025, the Group's net profit amounted to Rs 775.61 billion which was an increase of Rs 104.77 billion from Rs. 670.85 billion for fiscal year 2024.

The Bank paid a dividend of Rs. 15.90 per share for the year ended March 31, 2025. The Bank paid a dividend of Rs. 13.70 and Rs 11.30 per share for the years ended March 31, 2024 and March 31, 2023.

The Indian banking sector recorded sustained improvement in capital positions, asset quality and profitability amidst strong business expansion. Credit growth remains robust, mainly driven by personal loans and lending to the services sector. Accruals in term deposits rose with increased transmission of monetary policy. The regulatory prescription of higher risk weights for certain category of loans has had a sobering impact on such loans. Lending by non-banking financial companies ("NBFCs") moderated in the second half of 2023-2024, especially personal loans, and asset quality improved further. Bilateral exposures among entities in the Indian financial system continued to expand, commensurate with expansion in business.

The asset quality of SCBs recorded sustained improvement and their GNPA ratio moderated to a 12-year low in March 2024. Among bank groups, PSBs recorded a substantial reduction (76 bps) in their GNPA ratio during H2:2023-2024. While the GNPA stock decreased across all bank groups, active and deep provisioning by PSBs and FBs resulted in an improved PCR in March 2024. The half-yearly slippage ratio (viz., new NPA accretions as a share of standard advances) decreased across bank groups. Though the amount of write-offs declined during the year, the write-off ratio remained almost at the same level as a year ago, due to reduction in GNPA stock. Overall, the sustained reduction in the GNPA ratio since March 2020 has been primarily due to a persistent fall in new NPA accretions and increased write-offs.

History

The origins of the State Bank of India date back to the establishment of the Bank of Calcutta (later renamed the Bank of Bengal) in 1806. The Bank of Bombay was created in 1840 and the Bank of Madras in 1843. These three banks catered mainly to the needs of the mercantile community and pioneered modern banking in India. In 1876, the Government transferred its shareholding in the three banks to private shareholders. However, the Government retained controlling powers over the banks' functioning and constitution. In 1921, the three banks were merged by an Act of the legislature to form the Imperial Bank of India. On July 1, 1955, the Imperial Bank of India was nationalized, and the Bank was constituted under the SBI Act with the RBI holding 92.0% of its share capital.

The Bank's original mandate was to spread banking facilities on a large scale and make credit more readily available in India, especially in rural and semi-urban areas. In compliance with its mandate, the Bank expanded its network of 480 offices by opening over 400 new branches within five years and continued the rapid expansion. Over the subsequent decades, the Bank has become India's largest bank, with 22,937 branches in India, 244 international offices in 29 countries and more than 520 million customer accounts as of 29 countries. As of the date of this Offering Circular, the Bank competes in all major banking sectors while still fulfilling its original mandate.

In accordance with Government directives, the Bank introduced liberalized lending facilities to small-scale industries, small businesses and the agricultural sector, which later evolved into the RBI's priority sector lending program applicable to all banks in India.

Under the SBI Act, the Government or government agencies are required to maintain majority ownership of the Bank. See "*Regulation and Supervision — Statutory Framework.*" In fiscal year 1994, in compliance

with regulatory reforms, the Bank completed a public offering. The RBI's holding was transferred to the Government in June 2007.

Competitive Strengths

The following core competitive strengths have historically contributed to the Bank's success and record of growth and the Bank believes that these strengths will continue to do so in the future:

Relationship with the Government, state governments and state-owned enterprises

As of the date of this Offering Circular, 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 Rs. 29.7 billion, Rs. 53.9 billion and Rs. 56.8 billion, respectively, through preferential allotment of equity shares. On June 12, 2017, the Bank offered equity shares to qualified institutional investors amounting to Rs. 150.0 billion and in May 2018, the Bank had made a preferential allotment of Rs. 88.0 billion of equity shares to the Government. The Bank believes its strong relationships with both the Government and 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 Rs 62,152.25 billion, Rs 65,553.30 billion and Rs 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 Rs. 39.14 billion, Rs. 39.19 billion and Rs. 39.53 billion, respectively, or 6.35%, 7.58% and 10.80%, respectively, of the Bank's other (non-interest) income. For fiscal year 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 sole 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 a significant portion of the banking requirements for India's 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 Rs. 2,183.28 billion. SBI Pension Fund is one of a select few entities in India with a mandate from the Pension Fund Regulatory and Development Authority to hold pension funds for the benefit of Government employees. The Bank is also the designated exclusive refund bank for the Income Tax Department of India to handle income tax refunds.

Well-known brand with the largest branch and ATM network in India and extensive portfolio of products and services

With over 65 years of operations in India, the Bank believes that it has the country's best-known banking brand. The Bank is India's largest bank, with 22,937 branches in India, 244 international offices in 29 countries and more than 520 million customer accounts as of March 31, 2025. The Bank also has the largest ATM network in India with 63,791 ATMs (including Automated Deposit and Withdrawal Machines ("ADWMs")) as of March 31, 2025. The Bank also had deposits, advances and a total assets base of Rs. 53,821.90 billion, Rs. 41,633.12 billion and Rs. 66,760.53 billion, respectively, as of March 31, 2025, which was the largest by each measure among banking institutions in India. 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, foreign exchange trading, loan funding (education loans, home loans and auto-loans), credit cards and payment services. The Bank believes it is India's leading provider of education loans, home loans and car loans.

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. The Bank is also the sponsoring bank for DBTL transactions, a program launched by the Government for effecting direct transfers of entitlements to LPG subsidies. 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.

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 has created product/customer-focused sales forces to aggressively promote the Bank's products so as to increase market penetration, strengthened low-cost alternative channels and redesigned key processes in important areas such as retail, corporate and international banking. See “— *Business Process Review*.”

Strong deposit base providing stable and low-cost funding

The Bank believes that its large distribution 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 Rs. 53,821.90 billion as of March 31, 2025, representing a market share of approximately 22.54% of aggregate in deposits. 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%. For the year ended March 31, 2025, the Bank's average cost of domestic deposits was 5.11%, which was an increase of 30 basis points compared to the year ended March 31, 2024.

Regularly enhanced risk management and internal control functions

The Bank regularly strengthens its risk management and internal control capabilities by improving its policies and procedures and introducing advanced risk management tools, including IT-enabled credit risk modeling, industry studies, risk analytics, value-at-risk limitation, risk mitigation and validation procedures. The Bank has adopted an independent risk management system, which addresses the risks faced in all of its banking activities, including several board-level risk management committees under the Risk Management Committee of the Board, several independent risk management departments, such as Enterprise, Operational, Credit, Market and IT Risk Management departments, and established procedures for reporting risk-focused data to the relevant board-level committees. The independent risk management system seeks to identify and manage risks such as credit, market, operational and IT related risks at the Bank's business group level, using technology to allow each business group to manage its risks effectively and within the Bank's policies.

The Bank has maintained adequate capital reserves in accordance with Basel II since March 31, 2008, and has also maintained Basel III compliant measures since April 1, 2013. The Bank has implemented new credit risk assessment models, independent validation of internal ratings and new IT applications to

improve the quality of loan data. The Bank conducts regular stress tests which are forward-looking economic assessments of the Bank's financial health, based on a number of economic scenarios and will take remedial measures, if necessary, depending on the outcome of the tests. The Bank also has a limitation framework in place for its trading and investment portfolio, including monitoring and reporting procedures. See "Risk Management."

Strong financial performance and stable capital position

The Bank has been able to maintain its strong financial performance as reflected in its performance ratios, such as a net interest margin of 3.09%, 3.28% and 3.37% for fiscal years 2025, 2024 and 2023, respectively. 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 fiscal years. The Group's Tier I capital adequacy ratio was 12.31%, 12.06% and 12.29% as of March 31, 2025, 2024 and 2023, respectively. The Group's capital position, as measured by its overall capital adequacy ratios was 14.44%, 14.38% and 14.84% as of March 31, 2025, 2024 and 2023, respectively. All ratios exceeded the mandatory minimum ratio of 12.10%, which positions the Bank to take advantage of growth opportunities in the market.

Experienced management team

The Bank has an experienced management team staffed with a significant concentration of career banking professionals. The Bank's central management committee members have on average more than 30 years of banking and financial experience. The rest of the senior management team has expertise in key areas, including retail, corporate and international banking. 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. 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.

Strategy

The Bank's strategy is to enhance its position as the largest and leading provider of banking and other financial services in India, while remaining focused on its profitability. The Bank plans to execute this strategy in the following ways:

Continue expansion of the Bank's distribution network and banking products

The Bank 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.

Diversify revenue mix by increasing the Bank's non-banking products and businesses

The Bank plans to further diversify its revenues by expanding its products and service offerings, particularly its fee- and commission-based products and businesses, including:

- 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.

Increase cost consciousness by optimization of resources

The Bank aims to improve its productivity by creating a culture of cost control and cost consciousness within the organization. To achieve this, the Bank aims to optimize allocation and utilization of resources, with an efficient balance between people, processes and technology. The Bank also plans to redeploy staff from administrative roles to customer facing units with a view to improve revenues and decrease costs. The Bank has engaged HR consultants to develop an operations model to assess staffing levels and determine the appropriate incumbency required in branches and administrative offices. The Bank has also shifted the Management Information System (the “MIS”) and other reporting functions to a centralized back office with a view to increasing the cost efficiency of the organization.

Utilize technology to enhance delivery of banking products and services

The Bank is committed to its ongoing effort to deploy new technology to maximize efficiency in its operations and expand the modes of delivery of its services, enabling it to increase penetration into existing customer segments. To achieve this, the Bank has migrated all of its branches to the core banking application platform and expanded its ATM and internet banking networks. The Bank also plans to continue offering an expanding suite of mobile banking, debit and prepaid card services to its customers and to continue investing in payment systems to make them more robust and efficient. See “— *Information Technology Systems and Infrastructure.*”

Continue to strengthen the Bank’s risk management and internal control capabilities

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 board-level 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.

Attract and develop talented and experienced professionals

The Bank plans to recruit, retain, motivate and develop talented and experienced professionals in a number of ways, including providing extensive on-the-job and classroom training, offering a variety of placement choices, including overseas posts and offering expeditious promotion opportunities to high-potential candidates as part of the Bank’s growth plan and business needs. The Bank has created an internal social media platform on which employees can interact with senior management to provide suggestions and feedback, thereby enhancing employee engagement. The Bank’s other initiatives, including its e-learning platform and other social media initiatives, have also enabled it to effectively increase its interaction with its employees.

Focus on asset quality and reduction in NPA levels

The Bank aims to increase its focus on asset quality and reduce the NPA levels of the Bank. The Bank has recently 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 is setting up early warning signals systems for capturing internal triggers and external events in 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. The Bank appoints and closely monitors resolution agents for quick enforcement of security.

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:

- The *Corporate Accounts Group* provides corporate banking services to many of India's largest and most prominent corporations and institutions, including state-owned enterprises. The Corporate Accounts Group caters to customers with an annual turnover of over Rs. 5.0 billion.
- The *Commercial Client Group* (the "**CCG**") came into existence with effect from June 1, 2018. This Business unit caters to all corporate banking relationships apart from CAG relationships with exposures greater than Rs. 500.0 million.
- The *RB&O Group* services the Bank's personal banking customers in urban, metropolitan, rural and semi-urban areas, small-scale industries, including state-owned enterprises, and corporate customers which are not serviced by either the Corporate Accounts Group or the Commercial Clients Group. The RB&O Group also provides financial services to the Government and state governments.
- The *International Banking Group*, through its international branches, subsidiaries, representative offices and joint ventures provides a range of international banking services to Indian and foreign companies with operations within and outside India, non-resident Indians ("**NRIs**") in international markets, as well as the local population in such jurisdictions.
- The *Global Markets Unit* operates the Bank's treasury functions, managing domestic liquidity, its investment portfolio and foreign currency exposure. Global Markets also enters into foreign exchange and risk hedging derivative products on behalf of the Bank's customers.
- The *Stressed Assets Resolution Group* is responsible for managing the Bank's NPAs in accordance with the Bank's credit policy and procedures committee's policies, including managing the feasibility of restructuring of debt.

The Bank's administrative services and management, including risk management, IT, inspection and audit, legal and human resources functions are common to all of its principal business groups. Within the RB&O Group, which accounts for the largest number of the Bank's branches, these common services are organized on the basis of administrative units, referred to within the Bank as "circles," "networks," "administrative zonal offices" and "branches." Circles are the largest administrative unit and constitute 16 geographic regions covering the entire country. Networks are the next largest administrative unit; each circle administers two or

three networks. Each network administers five or six administrative zonal offices. Each administrative zonal office administers approximately 100 to 300 branches. Depending on the size of the administrative units under it, a network may cover up to 600 branches and a circle may cover up to 1,200 branches. The Bank is re-aligning its administrative structure to improve oversight and increase recovery rates for non-performing loans, including reducing the number of branches administered by one regional manager from 60 to 40.

The risk management department has operational risk managers and raters located at each circle's headquarters, as well as risk raters within the Commercial Clients Group (who also serve the Corporate Accounts Group) and the International Banking Group. The IT department provides support to all business groups. A senior officer responsible for IT coordination across the Group sits at the Bank's corporate headquarters to prioritize and coordinate IT-related issues among the various business groups, human resources and industrial relations.

Corporate Accounts Group

Corporate Accounts Group (“CAG”) is a dedicated vertical of the Bank. It handles SBI'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, etc.

The business model of Corporate Accounts Group is based on the relationship management concept, and each corporate/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 prime objective of the plan is to make SBI the first choice of top corporates.

The fifth branch viz. Financial Institutions Branch at Mumbai is headed by a Deputy General Manager. The F. I. Branch formerly Capital Markets branch, provides seamless services delivery to Financial Institutions clients. It provides:

- (a) Intraday facility to Stockbrokers, Mutual Funds & Insurance companies.
- (b) Bank Guarantees & e FDR for keeping margin with exchanges, as well as other banking products and services.

F.I. Branch serves as ‘Banker to Issue’ for SEBI and handles all IPOs, Debt & Rights Issues for the Bank as Nodal Branch. It also handles QIPs of the Corporates and maintains Settlement Accounts of Exchanges viz., NSE, BSE, MCX, Indian Power Exchange, Indian Gas Exchange and Indian Energy Exchange.

To align with the changing banking landscape, a specialized unit viz. 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.

Major Conglomerates, Financial Institutions and Maharatna/Navratna PSUs of the country are esteemed customers of the CAG vertical.

The total credit portfolio of CAG as on March 31, 2025 was Rs.7,805 billion (fund based – Rs. 5,547 billion and non-fund based – Rs. 2,259 billion) compared to a total loan portfolio of Rs.7,450 billion (fund based – Rs. 5,385 billion and non-fund based – Rs. 2,064 billion) as on March 31, 2024.”

Corporate Cash Management

The Bank provides cash management services to corporate customers under the brand name “SBI FAST Plus”, which stands for “funds available in shortest time.” As of March 31, 2025, more than 16,000 corporate customers and 45 Central/State Governments across India have been on-boarded on the portal. The services aim to reduce costs and provide profit opportunities for the Bank’s customers by allowing online processing of transactions for better liquidity management. Through SBI FAST Plus, the Bank has also extended virtual account number-based collections, and mandate management modules to corporate clients. The Bank’s cash management product operation center in Hyderabad provides a product range of collections, payments, liquidity management, mandates processing, printing bulk checks, and drafts and agency services.

All of the Bank’s branches in India are equipped to provide quick, time-sensitive bulk payments to any beneficiary in India on behalf of the Bank’s corporate customers.

Trade Finance

Trade finance services offered by the Corporate Accounts Group include the issuance and advising of domestic and foreign letters of credit, the confirmation of export letters of credit, the issuance of guarantees on behalf of domestic customers in favor of domestic and foreign beneficiaries, and on behalf of foreign correspondent banks to beneficiaries in India, domestic and foreign bill discounting against letter of credit as well as non-letter of credit bills and similar services.

The Bank trade finance services include an IT-driven supply chain financing product developed by the RB&O Group. The Bank expects that supply chain financing will enable it to leverage its links with major existing corporate customers to offer the financing services of small- and medium-sized vendors and dealers to such major customers. The target vendors would typically be SMEs or members of small-scale industries that are typically, although not exclusively, customers of the Bank. Supply chain financing is being marketed to corporations for use by their vendors. It is anticipated that this activity will bring into the Bank a number of new vendors who serve the mid-corporate and SME segments. See “—RB&O Group — Small and Medium-Sized Enterprises.”

The Bank operates a centralized trade finance solutions platform, EximBills Enterprise, which has been customized and extended across all of the Bank’s branches conducting trade finance activities. EximBills Enterprise 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.

EximBills Enterprise 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, including multi-currency accounting, faster turnaround for clients and data integrity across systems. As of March 31, 2025, 14,969 branches (including trade finance central processing centers and their linked branches) were enabled for the Bank’s EximBills Enterprise application and over 32,007 corporate customers have been provided with similar functions through Customer Enterprise applications over the internet.

Funds Transfer and Settlement

The Bank offers Real-Time Gross Settlement (“**RTGS**”), National Electronic Funds Transfer (“**NEFT**”) and National Electronic Clearing Service (“**NECS**”) fund transfer facilities for qualifying transactions at its branches, as well as through its internet banking system. The Bank’s mobile banking services also offer NEFT. NEFT and RTGS continue to be the most cost-effective and time efficient modes for remittance. The volume (number) of outward fund transfers through NEFT increased by 12.06% in fiscal year 2025 compared to that in fiscal year 2024. The volume (number) of outward fund transfers through RTGS increased by 9.8% in fiscal

year 2025 compared to that in fiscal year 2024. The Bank has major share in NEFT outward remittance, with a market share of over 4.2% as of March 31, 2025 according to the RBI, and with respect to RTGS outward remittance, the Bank held a market share of over 11.44% as of March 31, 2025, according to the RBI. NEFT fund transfer transactions through the Bank's mobile banking service have also increased significantly in recent years.

Retail Business and Operations Group

The RB&O Group is the largest business of the Bank with 99.48% of total branches and 96.69% of total human resource of the Bank.

The group comprises the following business verticals:

- Retail – Personal Banking and Real Estate;
- Retail – Agri, SME and Financial Inclusion; and
- Transaction Banking and New Initiatives.

The above verticals manage the delivery of retail banking products, which constitutes 87.68% of the total Deposits and 55.32% of the total Loans & Advances of Bank through 22,937 branches in 17 circles spread all over the country.

The Bank continues to be one of the largest home loan providers in the country and market leader in education loans and auto loans. Bank's proactive approach towards SME financing i.e. loans for business expansion, technology adoption, modernisation, export financing, etc. plays a crucial role in fostering entrepreneurship, driving economic development, creating job opportunities. The Bank acknowledges the contribution of agriculture in the overall growth of the country and continues to support the farmer fraternity by way of various products for Agri financing. The Bank actively participates in the Financial Inclusion programmes and government-sponsored schemes aimed at creating a sustainable, developing, and cohesive society, and all these demonstrate its unflinching commitment to serve the society at large.

The Bank continues to be the largest provider for home loans and education loans in India. The Bank continues to be at the forefront in digital banking domain with a steady stream of technology-driven innovations. It has a multi-channel delivery model which offers its customers a wide range of choice to perform transactions anywhere at any time. The Bank has increased its offerings across various channels such as digital, mobile, ATM, internet, social media and branches. YONO is the Bank's flagship mobile banking and lifestyle app which is a one-stop shop offering for financial services, investment, insurance and shopping solutions. In addition, the Bank also offers YONO Krishi, a comprehensive multi-lingual platform for customers in the agriculture segment, simplified financing solutions such as KCC Review and Agri Gold Loans, advisory, market intelligence related services such as Mitra, as well as market linkage through online marketplace such as Mandi. YONO has over 220 million downloads and more than 87 million registrations up to March 31, 2025. The Bank is committed to promoting risk awareness at all levels. It also aims at constantly upgrading the appropriate security measures, including cyber security processes to ensure mitigation of various risks is properly executed.

Personal Banking

The Bank has one of the largest branches and ATM networks in India, which, as of March 31, 2025, totaled 22,937 branches, of which 8,014 were in urban and metropolitan areas and 14,923 of which were in rural and semi-urban areas. The total numbers of branches as of March 31, 2025, 2024 and 2023 were 22,937, 22,542 and 22,405, respectively.

The Bank's ATM network (including ADWMs) as of March 31, 2025, 2024 and 2023, totaled 63,791, 63,580 and 65,627, respectively. Together with its subsidiaries and joint ventures, in both the banking and non-banking sectors, the Bank offers a broad range of products and services to its retail customers, including lending

products such as home finance loans, automobile finance loans, and personal loans, deposit products, such as demand deposits, term deposits and savings accounts, and credit cards.

In addition, the Bank goes beyond traditional banking services to provide access to fee- and commission-based products such as life insurance and mutual funds, as well as providing services tailored to NRIs, such as money transfer services through tie-ups with companies such as Western Union and Moneygram.

The Bank has made a concerted effort to diversify its client base in various ways. Launched on November 24, 2017, YONO has evolved into a comprehensive platform for banking, financial, and lifestyle needs. With 8.8 Crore registered users and a 4.2 app rating, it reinforces the Bank's image as a New Generation Bank. FY2025 saw 164 feature enhancements, including Jan Nivesh, International Fund Transfer, SBI Life e-Shield Insta, Loan Against Mutual Fund, Re-KYC, FASTag recharge, UPI QR Cash withdrawal, and Rupay Credit Card linking. Its intuitive design simplifies financial management and accessibility for users. YONO 2.0 is scheduled for launch in the next financial year. Significant momentum was observed in new customer onboarding, with 64% of savings accounts opened through YONO in FY 2025.

Deposit products offered to personal banking customers include savings accounts, term deposit accounts and hybrid accounts that combine features of savings and term deposit accounts. The total domestic deposit base (including NRI deposits) was approximately Rs. 51,668.63 billion, of which CASA constituted 39.97% (Rs. 20,651.61 billion) as of March 31, 2025.

The Bank's retail lending products include home, auto, education and personal loans. The Bank's retail loan portfolio (including personal, SME and agriculture) was equal to approximately 65.56% of the Bank's total domestic advances as of March 31, 2025. According to RBI data, the Bank had a 27.3% share of the home loan market and a 20.2% share of the auto loan market, among SCBs in India as of March 31, 2025.

- *Home Loans.* The Bank is one of the leading providers of home loans within India, in terms of aggregate amount outstanding during fiscal year 2025. As of March 31, 2025, home loans constituted approximately 55.1% of the personal banking loan portfolio of the Bank. 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 Rs. 8,307.63 billion, Rs. 7,258.18 billion and Rs. 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. With the merger of the Bank's five associate banks into the Bank, the Bank believes it has wider channels for the marketing and sale of home loan products.
- *Auto Loans:* Auto Loans are loans for the purchase of new and used cars and utility vehicles, as well as for two-wheeled vehicles such as scooters, motorcycles and mopeds including battery operated vehicles. The Bank offers a number of auto loan products to meet the requirements of various customer segments. The retail auto loans portfolio contributes approximately 18.81% of the total retail personal loan portfolio (excluding home loans) of the Bank as of March 31, 2025. The Bank's retail auto loans outstanding as of March 31, 2025, 2024 and 2023 were Rs. 1,271.0 billion, Rs. 1,165.4 billion and Rs. 975.2 billion, respectively.
- *Education Loans:* In India, the Bank remains the largest Education Loan provider in India, commanding a 32.21% market share in the loan portfolio among ASCBs (All Scheduled Commercial Banks) as of March 2025. During the year, the Bank empowered 1,29,222 students with financial assistance totalling Rs. 147.22 billion, of which 40.40% was extended to girl students. To enhance access, quality and customer satisfaction, Bank has undertaken several initiatives:

- PM-Vidyalaxmi Scheme: Enables collateral-free, guarantee-free loans for students admitted to identified Quality Higher Education Institutions (“QHEIs”);
- Scholar Loan Scheme: Extended to a broader set of top-rated institutions with relaxed norms and concessional interest rates;
- Global Ed-vantage Scheme: Supports students pursuing education at foreign universities through customised loans with relaxed terms;
- Digital Document Execution: Rolled out for Scholar Loans to improve borrower convenience and streamline processing.
- *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*, *SBI Pension Loans*, *Loans Against Deposits* and gold loans. The following table sets out the total amounts outstanding of auto loans, education loans and personal loans in the Bank’s personal banking loan portfolio as of the last three fiscal years:

	As of March 31,		
	2023	2024	2025
	(Rs. in billion)		
Auto Loans.....	975.2	1,165.43	1,271.00
Education Loans.....	321.33	386.96	445.87
Personal Loans	3,499.88	4,027.26	4,108.51

Deposit products offered to personal banking customers include savings, term deposit and hybrid products that combine features of savings and term deposit accounts.

In select branches, the Bank 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.

NRI Banking Business

As of March 31, 2025, the Bank serves over 3 Million NRI customers across the globe, offering dedicated services through 434 Specialised NRI Branches in India, foreign offices in 29 countries, and 223 Global Correspondent Banks. Additionally, the Bank has tie-ups with 45 Exchange Houses and five Middle Eastern Banks to facilitate remittances. The Global NRI Centres in Ernakulam and Patiala provide a one-stop solution for NRI customers’ non-financial transactions.

NRI deposit base stands at US\$33.10 billion as of March 2025, with FCNR(B) deposits crossing US\$8.3 billion. NRI deposit market share stands at 20.54% as of January 2025.

Delivery Channels

The Bank is committed to offering advanced technology to its customers for their convenience. In line with this objective, delivery channels available to the Bank’s personal banking customers include the following.

ATM Cards

The Bank has the largest ATM network in India. The Bank operates a network of 63,791 ATM including 13,366 Automated Deposit and Withdrawal Machines as of March 31, 2025, which represents approximately 30% of the total number of ATMs in India based on RBI data.

The Bank's ATMs transacted approximately Rs. 10,623.18 billion, Rs. 11,771.48 billion and Rs. 11,292.05 billion of cash withdrawals in fiscal years 2025, 2024 and 2023, respectively. On average, over 10.6 million transactions per day were routed through the Bank's ATM network during fiscal year 2025. The Bank's ATM network is one of the busiest in India with an average usage rate of approximately 90.77 transactions per day per ATM as of March 31, 2025.

The Bank's customers can conduct a range of transactions at the Bank's ATMs, including cash withdrawals, balance enquiries, mini-statements, fund transfers, utility payments, mobile recharges, life insurance premium payments, credit card account payments, religious or charitable donations, educational fees for selected schools and colleges, mobile banking registration and SMS alerts registration.

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 itself and Hitachi as its joint venture partner. This was done to give more thrust to its Merchant Acquiring Business and to promote digital transactions. The number of transactions undertaken through the Bank's merchant acquiring business has decreased from Rs. 486 million during fiscal year 2023 to Rs. 425 million fiscal year 2024 and increased to Rs. 550 million during fiscal year 2025. The value of transactions decreased from approximately Rs. 1,213,028 million during fiscal year 2023 to approximately Rs. 1,107,414 million during fiscal year 2024 and increased to approximately Rs. 1,490,676 million during fiscal year 2025. The Bank has deployed over 16 lakh terminals as of March 31, 2025 through its subsidiary SBIPSPL.

Credit Cards

SBI Cards and Payment Services Limited ("**SBICPSL**") is a subsidiary of State Bank of India, is the largest pure-play credit card issuer in India, wherein the Bank holds 68.60% stake. SBICPSL is a non-banking financial company that offers extensive credit card portfolio to individual cardholders and corporate clients which includes lifestyle, rewards, travel and fuel and banking partnerships cards along with corporate cards covering all major cardholders' segments in terms of income profile and lifestyle. It has diversified customer acquisition channels that enables it to engage prospective customers across a wide spectrum.

SBICPSL delivered Profit after Tax ("**PAT**") of Rs. 19,164.10 million in FY 2025 as compared to Rs. 24,079.80 million in FY 2024.

Debit Cards

The Bank continues to lead debit card issuance in India with 240.6 million debit cards outstanding as of March 31, 2025. As of March 31, 2025, the Bank has approximately 22% market share of debit card spends in India. For fiscal year 2025, the Bank recorded more than 475.95 million debit card spend transactions totaling approximately U.S.\$1,230.94 billion during FY 2025.

The Bank has been actively promoting debit card usage through its various promotional campaigns.

Prepaid Cards

The Bank's Rupee prepaid cards include Gift Cards, eZ-Pay Cards, Smart Payout Cards, Achiever Cards and Foreign Travel Cards catering to various payment needs of the customers.

The Foreign Travel Card, which is now a chip-based, Europay Mastercard Visa-compliant card, is available in nine currencies: U.S. dollar, British pound sterling, euro, Canadian dollar, Australian dollar, Japanese yen, Saudi riyal, Singapore dollar and U.A.E. dirham, providing safety, security and convenience to overseas travelers. The Foreign Travel Card 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 State Bank Foreign Travel Cards to cater to varying needs of corporate customers. Sales from SBTFC during fiscal year 2025 were U.S.\$116.51 million.

eZ-Pay Cards have been issued mostly for social benefit schemes of State and Central Governments in addition to salary payments by corporate entities. Sales from eZ-Pay Cards during fiscal year 2025 were Rs. 3,999.22 million.

The State Bank Gift Card is a prepaid card for customers to give as gifts to friends and family. Customers can create the State Bank Gift Cards online. The Bank also launched the Achiever Card during fiscal year 2013, which is a reloadable corporate incentive card with a validity of 10 years for payments of incentives and awards. Sales from State Bank Gift Cards during fiscal year 2025 were Rs. 467.66 million.

IT-Based Channels

For a discussion of the Bank's telephone banking, internet banking and other IT-based products and services available to personal banking customers, see “— *Information Technology Systems and Infrastructure.*”

Rural Business

The Rural Business Group focuses on developing innovative and effective modes of delivering banking services to all customers located in the rural and semi-urban areas of India. The Rural Business Group is subdivided into two business units: Rural Business and Agri-Business.

The Bank continues to focus on rural banking as a key driver of future growth. The Bank has been involved in extending banking facilities in rural areas in India long before it became mandatory for all banks in India. The Bank 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 branches has increased from 8,101 as of March 31, 2024 to 8,280 as of March 31, 2025. The Bank has a pan-India presence and chairs the State Level Bank Committee as Chairman of the convener bank in 12 states and one union territory. Rural banking requires an innovative, technology-based and low-cost approach in respect of delivery of services in remote areas, to a population with high illiteracy rates, and involves a large number of small-value transactions. In order to cater to rural customer needs, the Bank has developed an alternative delivery channel for banking services and products through a business correspondent model (“**Business Correspondent**”), in which entities or persons act as agents of the Bank at places other than the Bank's premises and customer service points (CSPs). The Bank has leveraged its technological capabilities for financial inclusion programs by introducing internet-based kiosk banking, card-based and cellular phone messaging channels. As of March 31, 2025, the Bank had engaged over 62 Business Correspondents and 77,251 CSPs.

In line with *Pradhan Mantri Jan DhanYojana* (“**PMJDY**”), India's national mission for financial inclusion to ensure access in an affordable manner, the Bank has opened 151.1 million accounts as of March 31, 2025 and has issued a total of 132.3 million RuPay debit cards to eligible customers. The Bank is committed to serving residents across all areas of India. The Bank's number of basic savings bank accounts and small accounts has also increased from 170.63 million as of March 31, 2023 to 175.50 million as of March 31, 2024, and increased to 180.7 million as of March 31, 2025. The value of transactions handled through the Bank's Business Correspondents and CSPs increased from Rs. 3,303.89 billion in fiscal year 2023 to Rs. 3,950.77 billion in fiscal year 2024, and to Rs. 4,271.12 billion in fiscal year 2025. The Bank plans to increase revenue from its Business Correspondent – CSP model through the build-up of deposits and loans and advances.

The Bank has participated in self-help groups (“**SHG**”), bank credit linkage program, since its founding in 1992 by the Government. 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 Rs. 598 billion as on March 31, 2025, covering more than 10 million female members. The Bank’s continued focus on the development of innovative and technology enabled channels for delivering banking services among the rural population has resulted in the successful launch of several new initiatives such as Aadhaar enabled Payment systems (“**AEPS**”), automated e-KYC, immediate payment service, micro ATM rollout, savings bank-overdraft facility under PMJDY and direct benefit transfer (“**DBT**”) or direct benefit transfer in LPG (“**DBTL**”), the world’s largest account-based subsidy transfer program. The Bank is the sole sponsor bank for the DBTL subsidy.

Although the individual accounts acquired through the Bank’s financial inclusion program are typically low value, the Bank expects to benefit from the low-cost funds, cross-selling of social security schemes and DBT handling commissions in the future.

Agricultural Advances

The Bank’s lending under Agriculture & Allied activities has surpassed Rs. 3,500.00 billion this financial year, the highest in India, with a growth of over Rs. 456.00 billion (15% YoY).

The Bank has grown substantially in Agri Gold loans, SHG loans and Investment Credit portfolio, most of which are either risk mitigated or possess low risk. The Bank continued to be the market leader in Agriculture Gold loans and during the year, the portfolio has crossed Rs. 1,200.00 billion.

During the financial year, the Bank’s thrust has been on making farming sustainable, financing Farm gate infrastructure, Agri Enterprises & Progressive farmers through multi-product offerings viz., Agri Infra Fund, Agri & Food Enterprise Loan and Kisan Samridhhi Rin. The Bank has registered growth of more than Rs. 66 billion during the year in two new flagship products- Agri & Food Enterprise Loan (“**AFEL**”) and Kisan Samridhhi Rin (“**KSR**”). We are offering customized credit to FPOs/PACS/Rural Co-operatives for value addition and reducing operating expenses.

Further, the Bank has sanctioned loans to 23,411 borrowers amounting to Rs.61.50 billion during current financial year under Atma Nirbhar Bharat schemes viz. Agri Infra Fund, AHIDF & PM-FME. SBI has achieved 1st position amongst all banks in the Agri & Rural Infrastructure Strengthening Endeavour (“**ARISE**”) Campaign & Promotion of Rural & Agriculture Sector Growth through Infrastructure Development (“**PRAGATI**”) Campaign for Agri Infra Fund launched by Ministry of Agriculture and Farmers welfare during the financial year.

The Bank has worked strategically to reduce and control the stress in Agri portfolio and as a result, Gross NPA (%) remains to be in single digit during the financial year as well.

Micro Credit

SBI is the market leader in SHG loans. The Bank’s portfolio under SHG loans has crossed Rs.598 billion during the financial year, covering more than 1 Crore women members. The Bank has disbursed more than Rs 280 billion to 6.5 Lakh

SHGs during the financial year under Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY -NRLM).

Further, the Bank has signed Memorandum of Understanding (“**MoU**”) with Ministry of Rural Development (“**MoRD**”) under ‘Svyayam Siddha Initiative’ for loans up to Rs. 1 million to individual women members of SHGs with simplified process.

The Bank has disbursed around Rs.520 billion in Mudra Loans during the financial year. Further, we have sanctioned 15,900 loans under Stand-Up India scheme during the financial year. Under PM-SVANidhi Scheme, we have disbursed 4.54 Lakh loans to Street Vendors amounting to more than Rs.9.5 billion during the financial year. Similarly, under PM Vishwakarma scheme, the Bank has sanctioned more than 1,16,000 loans, amounting to around Rs.8.45 billion during the financial year.

To enhance our reach to the unserved & under-served populace, we have signed MoU with Twenty-Five NBFCs/HFCs under Co-lending model. Under this model, the Bank has sanctioned loans to more than 4.00 lakh borrowers amounting to around Rs. 42 billion. Of which, more than 0.39 million accounts have been sanctioned in a complete digitization mode for loans up to Rs. 0.3 million.

Digitalization & Collaborations

The Bank has implemented a revamped Loan Management System for processing of loans to Agriculture & Allied activities. This has significantly reduced Turn Around Time (“**TAT**”) for delivery of credit.

The Bank has launched end-to-end digital journey for KCC loans up to Rs. 0.16 million in Karnataka state through Jan Samarth portal, which is being expanded to 5 more States – Gujarat, Uttar Pradesh, Madhya Pradesh, Maharashtra, and Odisha.

*Rural Self Employment Training Institutes (“**RSETIs**”):*

The Bank has set up 153 RSETIs across 29 States/UTs. RSETIs act as social change agents, empowering rural youth towards sustainable livelihood through skill development and training, helping them establish their own micro-enterprises, and thereby creating rural employment. These RSETIs evolved as a specialized institution transforming rural youth from job seekers to self-employed entrepreneurs. SBI RSETIs have trained around 1.31 million candidates through around 48,000 training programmes since inception. Out of these, 74% candidates have been settled through self-employment. Credit facility have been extended to more than 0.52 million trained candidates.

Lead Bank Scheme:

The Lead Bank Scheme (“**LBS**”) is an initiative, dedicated to enhancing access to bank finance for priority sectors and underserved segments of the economy, thus driving inclusive growth and development.

The Bank has been assigned with the responsibilities of Lead District Manager in 275 out of 786 Districts and SLBC convenorship in 14 out of 36 States/UTs across PAN India. Govt of India has initiated multiple programmes involving all sections of the society where LDMs/SLBC officials are actively involved.

*Financial Literacy Centres (“**FLCs**”) & Centres for Financial Literacy (“**CFLs**”)*

The Bank has set up 341 Financial Literacy Centres (“**FLCs**”) across the country to impart free financial literacy, credit counselling and the propagation of electronic payment systems. FLCs have conducted more than 28,000 Camps during the current year in which over 1.17 million people participated. Furthermore, as a part of the RBI initiative to spread awareness about financial products among the rural masses, the Bank has sponsored 595 Centre for Financial Literacy (“**CFL**”) at 1,780 blocks, which are also instrumental in exploring innovative and participatory approaches towards attaining financial literacy.

Small and Medium-Sized Enterprises

The SME Business Group focuses on providing a comprehensive package of products and services to the MSMEs (defined by the Micro, Small and Medium Enterprises Development Act, 2006), to meet their requirements, such as cash management, transactions and credit needs for both domestic/export sales. With over

2.3 million customers, the SME portfolio of Rs. 5,060.27 billion as of March 31, 2025, accounts for nearly 14% of the Bank's total domestic advances. The portfolio registered a growth of 16.86% year-on-year ("YoY") in FY 2025.

To provide an enhanced customer experience, the Bank has created a wide network of touchpoints for branches and other modes. The business delivery model of the Small and Medium Enterprises Centre ("SMEC") comprises Asset Management Teams, created to maintain end-to-end relationships with customers for loans up to 20 million. The SMECs have been strengthened in terms of manpower, resulting in improved service levels. Loans above 5 million continue to be handled by Relationship Managers (SME). As on March 31, 2025, 2,155 RMs (SME) and 868 dedicated SME Intensive Branches are functioning pan-India.

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.

- Bank is leveraging advanced technologies like AI, ML and analytics to enhance SME offerings across product design, processing, delivery and monitoring. YONO Business offers a one-stop digital banking solution for corporates.
- **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 Rs 2 million sanctioned through a simplified digital journey. In FY2025, 8,750 PABL loans worth H529 Crore were sanctioned.
- **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.
- **Business Rule Engine ("BRE")** is a single credit risk model developed for SME Loans up to Rs. 50 million, that automates and accelerates processing. It uses bureau, GST, ITR and banking data for risk assessment and decision-making. 93,942 loans worth Rs. 47,789 Crore sanctioned via BRE by Mar 2025.
- **New digital product under development**
 - MSME SAHAJ (YONO-B) – GST invoice-based lending
 - GST Sahay – Government platform for invoice financing
 - DIGI Sugam provides GST-based Working Capital Finance, an end-to-end digital journey offered through YONO Business
- **Contactless Lending Platform ("CLP")**
psbloanin59minutes.com, provides Instant in-principle SME loan approvals from Rs. 0.1 million to Rs. 50 million. In FY 2025, 0.17 million leads for Rs. 827.48 billion have been sanctioned.
- **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 corporate relationship with 35,808 dealers with total sanctioned limits of over Rs. 529.36 billion (e-DFS) and Rs. 391.97 billion (e-VFS). In FY 2025, 56 new tie-ups were entered.
- **Green Energy initiatives**

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.

SBI EV Mitra is for Financing EV charging infra. New tie-ups with Tata Power and Sharify Services Pvt. Ltd. (“**STATIQ**”) has been entered in FY2025. **Surya Shakti Solar Finance** is a special product for financing solar projects (captive use) with loans up to ₹10 Crore with concessions for youth and women entrepreneurs. **Finance for Biofuel Projects** supports all biofuels under the National Policy of Biofuels 2018 (Ethanol, Biodiesel, Advanced Biofuels, Bio-CNG, etc.). **Compressed Biogas under Satat Scheme** provides financing for CBG manufacturing units with loans up to Rs. 1 billion.

- **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% as of March 31, 2025 despite global headwinds, reaching levels of Rs. 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 Rs. 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 FY 2025, the Bank crossed the level of Rs. 223.32 billion as of March 31, 2025, registering a YoY growth of 118.71% and a market share of 29%.

Government Banking

The Bank handles government transactions as an agent of the RBI on behalf of the Government and various state governments. As of March 31, 2025, State Bank of India, holds the largest market share in Government Business, accounting for over 62% of the turnover in the Government sector. The Bank acts as agent for the receipt and payment of government transactions. The Bank collects government revenues by way of taxes, such as central excise and service taxes, through its branches. The Bank also handles government payment functions through its branches, including pension payments and expenditure payments of various ministries. Further, the Bank remits funds deposited by departments such as post and telecommunications, railways, defense and other government departments.

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.

Commercial Client Group

Commercial Client Group (“**CCG**”) caters to the credit needs of mid and large-sized corporates, including specialised branches. The vertical focuses on comprehensive corporate engagement, green finance, new-age business financing, risk management and sustainable growth. Chief General Managers (“**CGMs**”) serve as group relationship owners to enhance coverage quality, while a team of credit specialists supports large credit proposals. CCG vertical is headed by the Managing Director of the Bank, supported by two DMDs, six CGMs, ten CCG Regional Offices (“**CCGROs**”) and three direct branches headed by GMs.

This business unit caters to all corporate banking relationships apart from CAG relationships with exposures greater than Rs. 0.5 billion. The total advances level of the CCG as of March 31, 2025 was Rs. 6,679.06 billion. CCG's advances grew by 16.27% YoY (as of March 31, 2025).

The Bank has 51 dedicated CCG branches across 30 cities. Two Global Trade Finance Centres established in Hyderabad and Kolkata for standardised processing via multiple channels, enhancing speed and customer experience. Senior officials have been identified and placed at each Branch of CCG to capture corporate ecosystem banking opportunities of Corporates.

Project Finance and Structuring SBU

The Bank's special business unit, known as Project Finance and Structuring Strategic Business Unit ("**PF&S SBU**"), deals with the appraisal and arrangement of funds for large projects in infrastructure sector such as power, roads, ports, railways and airports. It also handles projects under non-infrastructure sectors such as metals, fertilizers, cements, oil and gas, amongst others, with certain thresholds for minimum project cost. PF&S SBU also provides support to other verticals for vetting their large ticket term loan proposals.

Some of the major projects recently financed by the Bank include Mundra Petrochem Ltd, a Coal to PVC (Poly Vinyl Chloride) manufacturing complex with an annual production capacity of 10 LTPA (Lakh Tonne Per Annum) at Mundra, Gujarat, Reliance New Solar Energy Ltd, ("**RNSEL**") to setup 20 GWp Integrated PV Manufacturing Facility encompassing Module, Cell, Ingot-wafer, Polysilicon, and Mg-Silicon at Jamnagar, Gujarat, Damodar Valley Corporation ("**Koderma**") for expansion of existing Koderma Thermal Power Station, project of 2 x 500 MW by addition of 2 x 800 MW, in Koderma District of Jharkhand, SJVN Green Energy Ltd, which has envisaged a renewable energy capacity addition of 4208 MW in the next three years, Arcelor Mittal Nippon Steel Ltd, a Brownfield expansion project of integrated steel plant from 9.6 MTPA to 14.6 MTPA. As of March 31, 2025, the value of the PF&S SBU portfolio of project finance loan was Rs. 2,335.64 billion.

Threshold limits for appraisal of projects of infrastructure and non-infrastructure projects at PF&S SBU is Rs. 2.5 billion and Rs. 7.5 billion respectively. However, proposals below the abovementioned thresholds may be referred to PF&S SBU for vetting both in respect of infrastructure and non-infrastructure projects, with the approval of Head of the Business Verticals and/or the relevant sanctioning authority, as applicable.

PF&S SBU normally monitors sanctioned project loans up to two years after the date of commencement of commercial operations or stabilization of project, whichever is later for both infrastructure and non-infrastructure projects.

The Government as a customer

The SBI Act specifically provides that the Bank, if required by the RBI, shall act as the agent of the RBI for certain banking businesses of the central and state government. The Bank also has regular transactions with PSEs.

In addition to the services described in previous sections, the Bank is a significant lender to both the Government and state governments, primarily in the form of loans to support the governments' food grain procurement and sale activities. As of March 31, 2025, the Bank's loan portfolio for food credit totaled Rs. 88.53 billion. It is the policy of the Bank to only enter into transaction with PSEs in which the terms of the business are no less favorable than those which would have been obtained by the Bank in the normal course of its business.

International Banking Group

As of March 31, 2025, the Bank had a network of 244 foreign offices in 29 countries covering all major time zones. Among its other locations, it is present in New York, London, Frankfurt, Singapore, Hong Kong and the Maldives. Given the opportunities arising from the substantial Indian population in the region, the Bank

has entered into tie-ups with exchange companies in the Middle East to facilitate NRI's and other customer's remittances to India. The Bank's own international network is supported by correspondent relationships with leading banks in countries across the world and also by relationship management arrangements with several other banks. As of March 31, 2025, the Bank maintains correspondent relationships with 223 leading banks in 55 countries. The Bank also has more than 4437 relationship management application arrangements through the SWIFT network, facilitating interbank financial telecommunications.

The Bank's international banking products and services include corporate lending, loan syndications, letters of credit and guarantees, short-term financing, project export finance, and 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 with operations inside of India, as well as NRIs conducting business in foreign markets. The Bank has executed plans to open branches in certain select foreign jurisdictions with the aim of operating as a local bank, providing commercial and retail products and services to attract both NRI and non-Indian customers.

As part of the centralization of treasury activities of foreign offices, the Bank has set up central treasury hubs in Hong Kong, London, New York, Bahrain and IFSC GIFT City, Gujarat, India to manage funds and ALM for the offices associated with them. 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, the Bank expects that the central treasury hubs will expand their activities to cover interest rate, foreign exchange, credit structures, bond trading etc.

Leveraging off 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 joint ventures or the wholly owned subsidiaries of Indian corporates which have acquired companies or set up projects outside India. The Bank's foreign offices have also achieved significant growth in the area of trade finance, particularly by entering into risk participation agreements with several banks. 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 International Banking Group's Advances were equal to approximately 14.67% of the Total Whole Bank Advances as of March 31, 2025.

The Bank's emphasis on technology is an integral part of its international banking business. A common and modern banking application software, customized to meet local requirements, has been introduced across the Bank's international branches and subsidiaries. Internet banking facility is available at all these foreign offices with special focus on remittance services. Customers at foreign offices now benefit from the 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 NEFT scheme of the RBI. AML and OFAC monitoring is done at all foreign offices with advanced tools. The digital banking App., YONO has been launched in all 14 centres where the Bank has retail operations.

Global Link Services

Global Payments & Services ("**GP&S**"), a unit under International Banking Group, comprises three branches / offices viz., Global Link Services, International Services Branch Mumbai and International Services Branch Ernakulam. GP&S facilitates Online Inward Rupee Remittances and SWIFT-based Trade related Rupee Remittances from overseas locations to India, Foreign Currency Cheque collection, Opening & Maintenance of Rupee Vostro Accounts ("**RVA**") and Special Rupee Vostro Accounts ("**SRVA**") and Asian Clearing Union ("**ACU**") Transactions.

GP&S has tie-ups with 45 Exchange Companies, six correspondent banks, one Money Service Business and two SBI Foreign Subsidiaries for channelling inward Rupee remittances from overseas locations to India. It

maintains 146 RVA, 12 SRVA and 16 vostro accounts under ACU mechanism for different Correspondent Banks, Exchange Companies, Money Service Businesses and SBI Foreign Offices & Subsidiaries.

- GP&S, on behalf of its domestic branches, handled 36,947 Export bills (in U.S. dollar) and 10,650 Foreign Currency Cheque collection (in USD, EURO, GBP and CAD currencies) aggregating to U.S.\$ 8,676 million.
- GP&S handled 12.61 million online inward remittance transactions amounting to U.S.\$ 7,738 million, received from various global remittance partners.

As per the provisions of RBI for settlement of trades in INR through Special Rupee Vostro Accounts, GP&S has opened three SRV accounts with the approval of RBI.

Project Export Finance

The Bank is an active participant in financing of project export activities of Indian corporations involving bidding for and execution of turnkey and civil construction contracts, export of engineering goods on a deferred payment basis and service exports. The Bank can approve projects without any monetary limits. The Bank also provides bond guarantees for projects during the bidding stage. Once projects are approved, the Bank provides performance guarantees and other non-fund-based facilities, as well as construction funding if required by the customer.

Foreign Subsidiaries, Joint Ventures and Associates

The following table sets out details of certain of the Bank's subsidiaries, joint ventures and associates outside of India as of and for the year ended March 31, 2025.

As of March 31, 2025						
Name	Date of Establish- ment	Bank's share- holdings	Number of branches	Total Owned Funds	Total Assets	Net Profit
		(%)			(Rs. in million)	
<i>Foreign Subsidiaries</i>						
SBI Canada Bank ⁽¹⁾	May 5, 1982	100	7	12,340.88	83,900.55	699.19
State Bank of India (California) ⁽¹⁾	September 3, 1982	100	7	14,802.56	109,860.16	776.97
SBI (Mauritius) Ltd. ⁽¹⁾	October 12, 1989	96.60	14	16,905.25	126,542.32	2,404.41
PT Bank SBI Indonesia ⁽¹⁾	October 24, 1970	99.00	11	16,591.55	38,930.44	576.96
Nepal SBI Bank Ltd. ⁽¹⁾⁽²⁾	July 7, 1993	55	122	13,146.06	14,2479.13	1,359.91
State Bank of India (UK) Ltd	April 1, 2018	100	12	30,624.84	217,036.41	2,042.85
Commercial Indo Bank Llc, Moscow ⁽¹⁾	December 5, 2003	100	1	17,663.41	102,480.25	10,052.71
<i>Foreign Joint Ventures/Associates</i>						
Bank of Bhutan Ltd.	May 28, 1968	20	36	10,107.42	126,305.55	945.35
Total		—	210	132,181.97	947,534.81	18,858.35

Notes:

- (1) Foreign currency translations of Rupee amounts have been made using the following approximations of market exchange rates effective as of March 31, 2025: Canada CAD = Rs. 59.6675; United States U.S.\$ = Rs. 85.475; UK GBP = Rs. 110.7025; 1 INR = IDR194.17; Nepal NPR = Rs. 0.625; Bhutan NU = Rs. 1 and Russia RUB = Rs. 1.02
- (2) Nepal SBI Bank Ltd., formerly an associate of the Bank, became its subsidiary with effect from June 14, 2009, as the Bank acquired a 5.0% additional stake from Agricultural Development Bank Limited, Nepal.

Global Markets Unit

The Bank's Global Markets Unit is responsible for the Bank's domestic treasury operations, managing its domestic liquidity and funding position in accordance with regulatory reserve requirements and the objectives of the Bank's management. The Bank's overseas treasury operations are conducted by the Treasury Management Group under the International Banking Group. As part of asset liability and liquidity management, the Global Markets Unit invests in sovereign and corporate debt instruments, commercial paper and other securities. The Global Markets Unit also manages the Bank's foreign currency exposure, engages in proprietary and client trading of currency futures and offers tailor-made structures to the Bank's corporate customers, including foreign exchange and risk hedging derivative instruments such as forward contracts, interest rate swaps, currency swaps, foreign currency options and proprietary trading of interest futures. The Global Markets Unit also handles equity trading for the Bank's trading and banking books.

The Global Markets Unit manages the Bank's required regulatory reserves and investment portfolio with a view to maximizing efficiency and return on capital. The Bank also seeks to optimize profits from its trading portfolio by taking advantage of market opportunities. The Bank's trading portfolio includes its regulatory portfolio as there are no restrictions on active management of the regulatory portfolio.

The Bank maintains its statutory liquidity ratio by investing in Government securities and actively manages such investments to optimize yield and benefit from price movements. The RBI prescribes the maintenance of a cash reserve ratio of 4.00% of the total demand and time liabilities. Pursuant to the RBI (Amendment) Act, 2006, which came into force with effect from April 1, 2007, the RBI does not pay any interest on banks' cash reserve ratio balances. Due to these regulatory reserve requirements, a substantial portion of the Bank's trading and securities portfolio consists of Government and state government securities. As of March 31, 2025, Government securities constituted 46.83% of the Bank's total trading and available-for-sale securities portfolio, while the remainder included corporate debt securities and equity securities. The Bank had outstanding Government securities worth Rs. 1,744.41 billion under the available-for-sale and held-for-trading categories as of March 31, 2025. The RBI reduced the SLR to 18% on April 11, 2020, of the net demand and time liabilities ("NDTL").

The Global Markets Unit conducts domestic and foreign exchange operations from its integrated treasury located in its headquarters in Mumbai. The Bank undertakes foreign exchange sales and purchases on behalf of its customers through cover operations. The Bank also sells RBI-permitted hedging products to the Bank's large-and medium-sized corporate customers through seven regional treasury marketing units which work in close coordination with the relationship managers in the CCG and the Corporate Accounts Group. The hedging products include permitted derivative structures such as foreign exchange forward contracts, options, and currency and interest rate swaps.

The Global Markets Unit focuses on increasing marketing of treasury services to the Bank's customers. The Treasury Marketing unit is the client interface for both institutional and corporate clients and is the link between customers, Bank branches and the Global Markets Unit. It focuses on proactively advising clients on trends and products, including customized structured products and foreign exchange products, employing

“straight-through” processing to reduce operational risk, innovating new products that respond to customers’ needs and providing transparent and competitive pricing.

Stressed Assets Resolution Group

The Stressed Assets Resolution Group (“SARG”) focuses on the timely resolution of NPAs of Rs. 2 million and above. The Bank’s Credit Policy and Procedures Committee formulates NPA policy, while the SARG handles the NPAs in accordance with these policies. 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.

These branches report directly to a group head based in the Bank’s corporate headquarters, which has enabled the Bank to centralize its efforts to improve the Bank’s overall asset quality. SARG first examines the feasibility of restructuring debts referred to it by extending appropriate relief, concessions or soft repayment terms with a view to upgrading such debts into performing assets. If the NPAs are found unsuitable for restructuring, the group takes steps to recover the amounts due to the Bank either by a one-time settlement with the borrower or by selling the NPAs to other banks, financial institutions or other entities. In addition, to reduce small value NPAs (below Rs. 10.0 million), stressed assets resolution centers have been set up in major cities across India. Some of the other strategies adopted by the Bank for resolving NPA issues are restructuring of assets, corporate debt restructuring, organizing recovery camps, settling of dues in a one-time settlement, legal action, initiating action before the debt recovery tribunals, sale of NPAs to asset reconstruction companies, reporting defaulting borrower as willful defaulters to credit information companies, initiating action under the SARFAESI Act, reporting defaulting borrowers as willful defaulters to credit information companies, employing account tracking centers, employing special recovery teams, including in rural areas, and dedicated establishments for recovery and resolution. See “*Selected Statistical Information — Non-Performing Assets.*”

Additionally, the Bank also has a duly constituted special committee of the Board for monitoring of large value frauds involving an amount of Rs. 500.0 million and above, to monitor and review all large value frauds in order to identify any systemic lapses, reasons for delay in detection and reporting, and progress of regulatory investigations and recovery positions. The objective of the committee is to ensure that staff accountability exercises are completed efficiently, and to review the efficiency of fraud prevention measures.

Subsidiaries and Joint Ventures in India

In the Group’s financial statements, investment in subsidiaries and joint ventures (both in India and abroad) are valued at historical cost after netting of provisions, if any. The Associate & Subsidiaries Department of the Bank coordinates the Group’s management of the domestic Non-Banking Subsidiaries and Joint Ventures.

The Group has a network of Non-Banking Subsidiaries and Joint Ventures engaged in businesses in India. The Group’s Non-Banking Subsidiaries includes Life Insurance, General Insurance, Credit Cards, Pension Funds, Primary Dealer, PA&SF, M&A, ECM, DCM, Venture Capital, Fund Management, Merchant Acquiring Business, Custodial Services, Stock Broking and Factoring Services, etc. As of March 31, 2025, 2024 and 2023, such non-bank subsidiaries and joint ventures, coordinated by Associate & Subsidiaries Department, accounted for Rs. 6,159.16 billion, Rs. 5,274 billion and Rs. 4,133.30 billion, respectively, of the Bank’s total assets. In the Group’s financial statements, investments in non-banking 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 Group’s non-banking subsidiaries. For a complete list, please refer to the financial statements included in this Offering Circular.

		As of March 31, 2025			
Non-Banking Subsidiaries	Business	Bank's Ownership ⁽¹⁾	Investment (face value)	Assets	Net Profit/(Loss)
		(%)	(Rs. in million)	(Rs. in million)	(Rs. in million)
SBI Capital Markets Ltd.....	Merchant Banking & Advisory Services	100.00	580.33	266,690.00	12,200.00
SBICAP Securities Ltd.....	Securities Broking & its allied services and third-party distribution of financial products.	...	Wholly owned by SBICAP	Wholly owned by SBICAP	Wholly owned by SBICAP
SBICAP Trustee Co. Ltd.	Corporate Trusteeship Activities	...	Wholly owned by SBICAP	Wholly owned by SBICAP	Wholly owned by SBICAP
SBI Ventures Ltd ⁽⁵⁾	Asset Management Company for Venture Capital Fund	100.00	603.78	3,370.00	417.60
SBI Life Insurance Co. Ltd ⁽³⁾	Life Insurance	55.38	5,550.00	4,570,950.00	24,130.00
SBI General Insurance Company Ltd. ⁽³⁾	General Insurance	68.99	1,543.70	244,020.00	5,090.00
SBI Cards & Payment Services Ltd..	Credit Card Business	68.60	6,526.33	655,460.00	19,160.00
SBI Funds Management Ltd ⁽²⁾	Asset Management Services to Schemes floated by SBI Mutual Fund	61.98	315.00	87,510.00	25,310.00
SBI Funds Management ⁽³⁾ , (International) Private Limited	Investment Management Services	...	Wholly owned by SBIFML	30.90	70.00
SBI Mutual Fund Trustee Co. Pvt. Ltd.....	Trusteeship Services to schemes floated by SBI Mutual Fund	100.00	1.00	220.00	10.00
SBI CDMDF Trustee Pvt. Ltd (7) ...	Trusteeship Services to Corporate Debt Market Development Fund	100.00	1.00	7.20	4.60
SBI DFHI Ltd.....	Primary Dealer in Govt. Securities.	69.04	1,315.20	274,300.00	3,310.00
SBI Pension Funds Pvt. Ltd ⁽⁴⁾	Pension Fund Manager (“PFM”) for management of assets of NPS Trust. Point of Presence (“PoP”) for onboarding of NPS subscribers.	80	240.00	2,990.00	720.00
SBI Payment Services Private Ltd ⁽²⁾ ..	Payment Solutions related to Merchant Acquiring Business (“MAB”) duly enabling cashless / digital transactions.	74	45.00	18,290.00	1,390.00
SBI Factors Ltd	Factoring Activities	100.00	1,598.85	28,040.00	570.20
SBI-SG Global Securities Pvt. Ltd ⁽²⁾	Custody and Fund Accounting Services	65	520.00	6,500.00	1,370.00

As of March 31, 2025					
Non-Banking Subsidiaries	Business	Bank's Ownership ⁽¹⁾	Investment (face value)	Assets	Net Profit/(Loss)
		(%)	(Rs. in million)	(Rs. in million)	(Rs. in million)
State Bank Operations Support Services Pvt.Ltd.....	Provide support services for the operations and maintenance of Agri/ MSME/ Micro Loan segments at RUSU Branches and RACCs. Undertaking activities permissible for a Corporate Business Correspondent.	100.00	100.00	780.00	205.70
SBI Infra Management Solutions Pvt. Ltd. ⁽⁶⁾	Real Estate Management Consultancy Services to SBI (under voluntary liquidation)	Under Voluntary Liquidation	400.00	Under Voluntary Liquidation]	Under Voluntary Liquidation
Total			19,340.19	6,159,158.10	93,958.10

Notes:

- (1) Shareholding amounts are the aggregate of the Bank's direct shareholdings.
- (2) Represents companies which are jointly controlled entities under the terms of the relevant shareholders' agreement but are consolidated as subsidiaries in accordance with AS 21 "Consolidated Financial Statements" as the Bank's holding in these companies is in excess of 50.0%.
- (3) SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd. prepared financials as per Indian GAAP, SBI Funds Management International prepared financials as per IFRS and the remaining Non-Banking Subsidiaries prepared financials as per IND-AS.
- (4) SBI Pension Funds Pvt Ltd: 20% stake is held by SBI Funds Management Ltd.
- (5) SBI Ventures Limited ("SVL"), which was earlier a Wholly Owned Subsidiary of SBI Capital Markets Ltd., became a Wholly Owned Subsidiary of Bank on February 7, 2024 after acquisition of 100% stake held by SBI Capital Markets Ltd., for a consideration of Rs.708.07 crore.
- (6) Under voluntary liquidation w.e.f. February 4, 2022.
- (7) Date of incorporation July 25, 2023.
- (8) C-Edge Technologies Ltd provides Information Technology related services and solutions to financial institutions. SBI's stake is 49% with an investment amount of Rs 49.0 million, Asset Size Rs 5,365.5 million and Net Profit Rs 948.3 million (as per Ind-AS). JV partner TCS owns 51%.

Life Insurance

SBI Life Insurance Company Limited ("**SBI Life**") is one of the most trusted life insurance companies in India. It was incorporated in October 2000 and is registered with the Insurance Regulatory and Development Authority of India in March 2001. As of March 31, 2025, the Bank holds 55.38% of shareholding of SBI Life.

Serving millions of families across India, SBI Life's diverse range of products caters to individuals, as well as group customers through protection, pension, savings and health solutions. According to the data from Insurance Regulatory and Development Authority of India, SBI Life was one of the largest private life insurers in India with a New Business Premium Market Share of 20.8%, 24.6% and 21.3% in fiscal years 2025, 2024 and 2023 respectively. As of March 31, 2025, SBI Life held its leadership position amongst private life insurers on Individual Rated Premium basis with a Market Share of 22.8%. In fiscal year 2025, SBI Life's gross written premium was Rs. 849.8 billion, which comprised Rs. 355.8 billion of new business premium and Rs. 494.1 billion of renewal premium. According to Life Insurance Council of India, SBI Life has also issued the highest

number of individual life policies annually among private life insurers since fiscal year 2014, with 2.2 million policies in 2025.

SBI Life's products are distributed through the Bank's branches as the primary distribution channel by leveraging the Bank's brand, reputation and large customer base. In fiscal year 2025, approximately 54.4% 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 individual agents. SBI Life's agency network is one of the most productive agency channels in India. As of March 31, 2025, there were 240,304 licensed advisors. In fiscal year 2025, SBI Life's agency channel contributed 21.3% of SBI Life's new business premiums. SBI Life also distributes its insurance products through corporate agents, brokers, insurance marketing firms and other platforms, including direct sales, which accounted for approximately 24.4% of its new business premiums in fiscal year 2025. SBI Life strives to make insurance accessible to all with its extensive presence of 1,110 offices and 26,355 employees across India.

SBI Life's profit after tax increased by 27% to Rs.24.1 billion for the year ended March 31, 2025 as compared to Rs. 18.9 billion for the year ended March 31, 2024. SBI Life demonstrates a high level of operating efficiency through low operating expense ratio which stands at 5.3% as of March 31, 2025. In fiscal year 2025, SBI Life had 13th month and 49th month persistency ratios of 87.4% and 68.0%, respectively of Regular premium/Limited Premium Payment under Individual category. SBI Life is one of the biggest fund managers amongst private life insurers as it manages assets worth Rs. 4,480.4billion as of March 31, 2025, with 15% growth y-o-y.

The embedded value (i.e., the sum of the net asset value and present value of future profits) was Rs. 702.5 billion as at March 31, 2025. The value of new business for fiscal year 2025 was Rs.59.5 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. As at March 31, 2025, SBI Life reached more than 53k direct beneficiaries through various corporate social responsibility initiatives.

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,

- "Best Life Insurance – Large Category" at the prestigious Mint BFSI Summit 2025,
- "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.
- "Smart Insurer in the Life Insurance – Large Category of the year 2024" at the 11th edition of ET Now Insurance Summit and Awards 2024,
- "Amiable Insurer in the Life Insurance – Large Category of the year 2024" at the 11th edition of ET Now Insurance Summit and Awards 2024,
- IMC RBNQA MQH Best Practices Award for "Onboardx" – Reengineering & Transformation of Agency Onboarding Process Using Intelligent Integration of Emerging Technologies,

- ‘India CSR Leadership Award 2024 - Large Impact’ for a project - ‘Holistic Development of Children & Employability Enhancement of Young Adults Affected by Leprosy or Belonging to Leprosy Affected Families in West Bengal’ in association with Udayan NGO,
- ‘Most effective 360-Degree Marketing Campaign’ by Pitch BFSI Marketing Awards 2024 for Thanks-A-Dot- Breast Cancer Awareness Initiative,
- Digital Transformation of the Verification Process Towards Customer Centricity’ in the ‘Customer & Market Focus’ category at the 10th International Best Practice Competition 2024,
- Ranked 5th for its exceptional performance in the Financial Services & Insurance Sector based on BRSR Report for FY 2023-24, announced at BW Businessworld’s India’s Most Sustainable Companies,
- ‘Doing Good Through Business For Education’ at the prestigious Doing Good For Bharat Awards 2024 organised by CSRBox for the project Udayan in West Bengal,
- India’s Top 500 Value Creators 2024 organised by Dun & Bradstreet,

General Insurance

SBI General began its operations in 2010 and after 15 years, SBI General has become a force to reckon with in the general insurance industry. The company clocked a total GWP of Rs.14,140 crores with a YoY growth of 11.1%. SBI General has attained a market share of 4.51% in FY2025 in comparison to 4.33% in FY 2024. The company has maintained its rankings at 10th position amongst all general insurer players whereas amongst the private players, SBI General has maintained its rank at 6th in FY2025.

SBI General has served over 12 crores+ customers. The Company 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 49000+ agents, and over 700+ 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’s rural distribution through CSC’s has enabled it to cater to the rural population.

SBI General serves a wide range of customer segments with a robust and diverse product portfolio spanning all lines of business. Its flagship offerings include Arogya Advanced and Super Health (health insurance), Cyber Vault Edge (cyber risk coverage), Pay-as-You-Drive (motor insurance), Livestock Insurance, as well as commercial solutions such as Surety Bonds and Jeweler’s Block. The company is also a leading force in crop insurance, ranking third among private insurers in this segment and playing a significant role in supporting farmers across the country. Additionally, SBI General holds the top position among private insurers in the personal accident insurance segment.

SBI General has consistently leveraged digital advancements to enhance operational efficiency and customer experience. From optimizing its website/app and distribution portal to strengthening its core system, SBI General continues to align itself with the market dynamics. SBI General also has an extensive network of 17,000+ hospitals along with a strong in-house claims team as a result of which SBI General has delivered one of the best claims paid ratio (Health) amongst the private players backed by efficient claims monitoring.

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”. Alongside that, the company has also been recognized as the “Best Brand 2024’ by ET NOW BFSI Best Brands 2025”.

Awards and recognition received by SBI General during FY 2024-2025 includes :

1. SBI General Insurance was listed in the BW BusinessWorld India's Most Respected Companies
2. 'Technology Excellence Initiative of the Year – India' at the Insurance Asia Awards 2023 Singapore
3. 'Best Brand Awareness Campaign (General Insurance) Award' at the MarTech Excellence Awards 2024 at Quantic
4. 'Best Claims Management-Insurance & Best CSR Campaign of the Year-Insurance' at the
5. SBIG has won SPICE award This year in Toyota Protect Program with highest Market share of 20% under program.
6. MD & CEO, SBI General –India's Most impactful CEO, 2024 award – TimesNow
7. "SBI General Insurance" received the title for "India's Fastest Growing Brands 2025"

Credit Cards

SBI Cards and Payment Services Limited ("**SBICPSL**") is a subsidiary of State Bank of India, is the largest pure-play credit card issuer in India, wherein the Bank holds 68.60% stake. SBICPSL is a non-banking financial company that offers extensive credit card portfolio to individual cardholders and corporate clients which includes lifestyle, rewards, travel and fuel and banking partnerships cards along with corporate cards covering all major cardholders' segments in terms of income profile and lifestyle. It has diversified customer acquisition channels that enables it to engage prospective customers across a wide spectrum.

SBICPSL delivered Profit after Tax ("**PAT**") of Rs. 19,164.10 million in FY 2025 as compared to Rs. 24,079.80 million in FY 2024.

Awards and Recognition received by SBI Card during the year includes:

- Bestowed with ET BFSI Exceller Award 2024 in the category of 'Best Initiative in Digital Customer Experience & Engagement - NBFC / HFC / MFI'.
- Recognized as the "Most Trusted Brand 2024" by Reader's Digest, for the 16th time.
- Earned the Silver Award by Media Abbys'24 in the 'Innovative Use of Radio' category for its 25th Anniversary Celebration campaign.
- Earned the Bronze Award by e4m Golden Mikes'24 in the 'Best Single Commercial – BFSI' category for its 25th Anniversary Celebration campaign.
- Honored with the prestigious Digital Enterprise of India- BFSI at the Economic Times CIO awards for enterprise IT Excellence.
- Won the Silver Award at RetailEX 2025 for its Retail Activation Program, recognized under the Most Innovative Retail Model category.

Asset Management Services

SBI Funds Management Limited. ("**SBI Funds**"), the asset management company of SBI Mutual Fund, is a joint venture with Amundi. SBI Mutual Funds celebrated over 38 years of investment management in fiscal year 2025. SBI Funds Management (International) Pvt. Ltd., is a wholly owned subsidiary of SBI Funds. SBI Funds has emerged as one of the largest players in India advising various financial institutions, pension funds, and local and international asset management companies. SBI Funds had average assets under management of Rs. 10,729.49 billion for the quarter ended March 31, 2025.

Portfolio Management Services and manages Alternative Investment Funds (“AIF”).

SBI Funds Management Limited (“**SBI Funds**”) has a fully owned foreign subsidiary viz. SBI Funds Management (International) Private Limited, which is based in Mauritius and manages the Off-shore Fund. During the year, SBI Funds has incorporated a wholly owned subsidiary viz. SBI Funds International (IFSC) Limited, on February 07, 2024 in Gujarat International Finance Tec (GIFT) City – Gandhinagar. The Company is registered with IFSCA as a Registered Fund Management Entity (Retail) under IFSCA (Fund Management) Regulations. It has taken over the existing fund management business of SBIFM (IFSC Branch) with effect from August 12, 2024. SBI Funds also provides Portfolio Management Services (“**PMS**”) and manages Alternative Investment Funds (“**AIF**”).

Awards and Recognition received by SBI Funds Management Ltd - SBI Funds Management Limited was awarded the Best Asset Manager in the Morningstar Fund Awards Ceremony 2024

Corporate Debt Market Development Fund.

SBI CDMDF Trustee Private Limited was incorporated on July 25, 2023 as a wholly owned subsidiary of the Bank and on August 3, 2023, the Bank had infused capital of Rs 0.10 crore. The company shall provide the trusteeship services to Corporate Debt Market Development Fund (“**CDMDF**”).

Merchant Banking & Advisory Services.

SBI Capital Markets Limited (“**SBICAPS**”), is one of India’s leading domestic Investment Banks, registered with SEBI as a category I Merchant Banker and a Research Analyst. Incorporated in 1986, SBICAPS offers the entire bouquet of investment banking and corporate advisory services to its clients. These services include Project Advisory, Loan Syndication, Structured Debt Placement, Mergers and Acquisitions, Private Equity, Restructuring Advisory, Stressed Assets Resolution, IPO, FPO, Rights Issues, Qualified Institutional Placements, Debt and Hybrid Capital raising. SBICAPS is also involved in fundraising through new products such as Real Estate Investment Trusts (“**REIT**”) and Infrastructure Investment Trusts (“**InvIT**”) in line with Government’s Asset Monetization Plan. Headquartered in Mumbai, SBICAP has 6 Regional Offices across India (Ahmedabad, Chennai, Hyderabad, Kolkata, New Delhi and Bengaluru), one office in Abu Dhabi Global Market and 2 wholly owned subsidiaries – SBICAP Securities Limited and SBICAP Trustee Company Limited.

- **Ranked No.1** with Market share of 58.98% (April 2024 to March 2025) for Mandated Lead Arranger (India Borrower Local Currency Loans). (Source Bloomberg).
- **Ranked No.1** with Market share of 28.65% (April 2024 to March 2025) for Mandated Lead Arranger (India Borrower All Currency Loans). (Source Bloomberg).
- **Ranked No.2** with Market share of 11.87% (April 2024 to March 2025) in the Debt Capital Markets Domestic League Table (Source Bloomberg).
- **Ranked No.5** in the ECM league tables (by issue amount and by number of deals) for the issues done between April 1, 2024, to March 31, 2025 (Source: Prime Database, includes IPO, QIP, FPO, OFS, INVITs/REITs and Rights Issues)

During the year, the Company has completed several marquee transactions, few of which are listed below:

1. Sole Financial Advisor & Mandated Lead Arranger for MSIDC, syndicating aggregate term loan facilities brownfield development of approximately 3,517 kms, across various regions in Maharashtra, under ‘Sudharit Hybrid Annuity Project.’
2. Sole Financial Advisor & Mandated Lead Arranger for MSRDC, syndicating aggregate term loan facilities for the construction of the Greenfield Pune Ring Road projects.

3. Advisor for Druk Green Power Corporation Limited for structuring Bhutan's first Hydropower Receivables Green Securitization Loan.
4. Financial Advisory & Debt arranger for greenfield MSRDC Jalna Nanded Expressway project
5. IPO offering of Bajaj Housing Finance (Issue size – 6,560 crores), Aadhar Housing Finance (Issue size – 3,000 crores), Ola Electric (Issue size – 6,145 crores), Afcons Infrastructure (Issue size – 5,430 crores), Waaree Energies (Issue size – 4,321 crores), Bansal Wires (Issue size – 650 crores), Dee Development Engineering (Issue size – 525 crores), International Gemological Institute (Issue size – 4,225 crores), Mobikwik (Issue size – 572 crores)
6. QIPs of Adani Energy Solutions (Issue size Rs. 8,000 crores), KPI Green Energy (Issue size Rs. 1,000 crores), Mrs Bectors Food Specialities (Rs. 400 crores), Adani Enterprises (Issue size – 4,200 crores), PSP Projects (Issue size – 244 crores) and Himmatsingka Seide (Rs. 400 crores.)
7. Offer for Sale of Adani Wilmar (Issue size – 4,850 crores)
8. Offer for Sale by Kohlberg Kravis Roberts (KKR) for an amount of around Rs 1800 crore representing 17.32% of Unit Capital in Indigrid Trust (erstwhile India Grid Trust).
9. Preferential Issue of Units for Indigrid Trust (erstwhile India Grid Trust) amounting to Rs 695 crore
10. Advisor and arranger for NCD issuance by NaBFID aggregating to Rs. 8,910 crores

The Company has won IJGlobal Awards – APAC in 2024 for the following categories:

- Transport Deal of the Year, APAC– Pune Ring Road
- Market Impact Award, APAC – Druk Green's Tala Hydropower
- Oil & Gas Deal of the Year – PETCHEM Category – The Mundra PETROCHEM

Securities Broking.

SBICAP Securities Ltd. ("SSL"), a wholly owned subsidiary of SBI Capital Markets Ltd., started operations in 2006 to provide primary and secondary capital market access to retail customers and became the broking arm of the State Bank of India Group. SSL is specialized in providing comprehensive equity broking services to clients in the Cash and Futures & Options segments.

SSL serves over 6 million customers through state-of-the-art trading platforms on mobile apps, websites, and dealer terminals and offers its customers a variety of products and services to choose from, such as Equity, derivatives, Currency trading, Mutual Funds, Tax Free Bonds, distribution of home loans and auto loans to meet their financial needs.

In Retail Trading, the market share has increased to 1.2% in FY 2025 as compared to 1.04% in the previous year. In Margin Funding products, the book size has grown to 5.11% in FY 2025 as against 4.82% in the corresponding previous year. During FY 2025, the company acquired 1.31 million accounts as against 1.41 million reported in the previous year.

In Retail Assets, SSL being captive sourcing arm of State Bank of India, has played a significant role in the Bank's overall Home Loan and Auto Loan business. The company has achieved a remarkable milestone of more than Rs 1 trillion disbursement in Home Loan vertical and Auto Loan vertical. The company has its geographical footprint with more than 590 locations for Home Loans and more than 750 locations for Auto Loans at pan India level to cater to its customers with SBI Home loan and Auto Loan products respectively.

SSL has enhanced its mobile application with various features viz., edit profile section where customer can easily manage and update their account details, facility of in-app banners, and notifications for account

updates, market insights, feedback and surveys, addition of new reports like capital gain report, MTF and Non-MTF ledger and interest rate report.

The company has introduced several digital products viz., buyback of shares, equity SIP (“**ESIP**”) to enable customers creating their own basket of equity stocks and invest in equated instalment, allowing E-margin positions up to 365 days with an interest charge after 23 trading days.

Corporate Trusteeship Activities.

SBICAP Trustee Co. Ltd. (“**STCL**”), a Wholly Owned Subsidiary of SBI Capital Markets Limited started operation of Security Trustee business with effect from August 1, 2008.

The Company acts as a Security Trustee to the Lenders for Corporate and Project Finance Loans. It is also registered with SEBI as a Debenture Trustee from F.Y. 2015-16. It performs the role of a Debenture Trustee for the Debentures/ Bonds issued by Corporates, Banks, PSUs and Municipal Corporations. STCL also provides other related services like Share Pledge Trustee, Escrow Trustee, AIF Trustee, ESOP Trustee, Virtual Data Room (VDR), etc. STCL has registered Gross Income of Rs. 691.7 million and PAT of Rs. 364.9 million for FY2025 as against Gross Income of Rs. 607.9 million and PAT of Rs. 299.5 million for the corresponding period previous year.

Private Equity.

SBI Ventures Limited (formerly known as SBICAP Ventures Limited) is an Investment Manager to NEEV Fund with a fund size of Rs. 5.24 billion has achieved 5 full exits and 3 partial exits, continues to be invested in 5 portfolio entities. SVL-SME Fund (NEEV II) with fund size of Rs. 10.04 billion has achieved its final close on March 28, 2024. SBI Group is the sponsor with 20% contribution. As on March 31, 2025, the Fund has deployed Rs. 6.74 billion in 7 portfolio companies.

SBI Ventures Ltd is also the asset manager to SWAMIH Investment Fund I, which achieved its final close on December 6, 2022, at Rs. 155.3 billion with the Government of India, the Bank, LIC, HDFC Ltd and all major public sector banks as investors in SWAMIH Investment Fund I. SBI Ventures Ltd has the mandate to provide last mile funding to stalled housing projects. SWAMIH Investment Fund I have disbursed Rs. 85.57 billion in 125 projects as of March 31, 2025.

SBI Ventures Limited also manages three Fund of Funds viz. the Self-Reliant India Fund (Fund of Funds with a corpus of Rs. 100 billion for MSMEs under the Atma Nirbhar package), the UK India Development Cooperation Fund (Fund of Funds with a corpus of Rs. 20.03 billion) and the Trilateral Development Co-operative Fund (“**TDCF**”). TDCF completed its first closure in March 2024 at Rs. 1,990.9 million.

Primary Dealer.

SBI DFHI Limited is one of the largest standalone Primary Dealers (“**PD**”) with a pan-India presence. 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.

The SBI Group holds a 72.17% (SBI-69.04%, SBICAP-3.13%) share in the Company. The Company posted a net profit of Rs 330.86 Crore for the year ended March 31, 2025, as against Rs. 180.44 Crore in the corresponding previous year. Total balance sheet size is Rs. 27,429.49 crore as on March 31, 2025, as against Rs. 23,262.15 crore as on March 31, 2024.

Pension Fund Manager (“PFM”) for management of assets of NPS Trust.

SBI Pension Funds Pvt. Ltd. (“**SBIPFPL**”) has been appointed as the Pension Fund Manager (“**PFM**”) to manage the pension corpus under National Pension System (“**NPS**”).

SBIPFPL is one of the three PFMs appointed by the Pension Fund Regulatory & Development Authority (“**PFRA**”) for management of Pension Funds under the NPS for Central Government (except Armed Forces) and State Government employees. The Company is one out of two PFMs allowed for Corporate CG Schemes for NPS contribution of all PSU bank staff. Other than this, SBIPFPL is actively managing 12 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.

The total Assets Under Management (“**AUM**”) of the Company as of March 31, 2025, is Rs. 5,14,753 crore. The Company maintains the lead position among 10 PFMs in terms of AUM with a market share of 35.63%. During FY 2025, the Company has onboarded 110 corporates and added 8365 NPS subscribers.

The Company has earned net profit of Rs 71.71 crore for the year ended March 31, 2025, as against Rs. 62.76 crore in the previous year.

Merchant Acquiring Business.

SBI Payment Services Pvt. Ltd. (“**SBI Payments**”): SBI became the first public sector bank to form an exclusive JV i.e., SBI Payments for Merchant Acquiring Business and holds 74% stake in the company. The objective of the company is to build a cutting-edge acceptance ecosystem in nationwide and enable the merchants, accept payments digitally across various form factors.

SBI Payments continues to be one of the largest acquirers in the country with more than 3.71 million Merchant Payment Acceptance Touch Points as of March 31, 2025, including 1.61 million POS machines, deployed across geographies (Tier 1 to Tier 6). To further encourage government’s vision of a less cash economy and promote digital payments, SBI Payments launched Saathi, which is an affordable, uniquely designed, unified payment device, to cater to the needs of merchants.

The Company has achieved EBITDA Rs. 253.01 crore and earned net profit of Rs. 138.90 crore for the year ended March 31, 2025, as against Rs. 205.12 crore and Rs. 144.36 crore respectively in the previous year.

Specialized Financial Services

SBI Factors Limited (“**SBI Factors**”) formerly knowns as SBI Global Factors Limited, a wholly owned subsidiary of State Bank of India, is a Non-Banking Financial Company regulated by the RBI. SBI Factors provides Domestic and Export Factoring services. SBI Factors Limited was established following a merger of two leading factoring companies, SBI Factors & Commercial Services Private Limited and Global Trade Finance Limited in the year 2010. Post merger, the Company was renamed as ‘SBI Global Factors Limited’ with effect from March 18, 2010. The name of the Company has been changed to SBI Factors Limited with effect from February 26, 2025, to align itself with legacy of its parent. As of March 31, 2025, the State Bank of India held a 100% stake in SBI Factors Limited. The Company registered a net profit of Rs. 571.09 million in fiscal year 2025.

Custodial Services

SBI-SG is a joint venture between State Bank of India and Societe Generale with 65% holding by SBI. The Company was set up to offer high quality custodial and fund administration services to complete the bouquet of premier financial services offered to its premium clients by the SBI Group. SBI-SG commenced commercial operations in 2010.

The Company’s Net Profit stands at Rs. 1,374.0 million for the year ended March 31, 2025, as against Rs. 1,116.7 million for the year ended March 31, 2024. Net-worth stands at Rs. 6,204.5 million as of March 31, 2025, as against Rs. 5,138.50 million as of March 31, 2024. The Company’s Assets under Custody were Rs. 21,352.01 billion as at March 31, 2025, while its Assets Under Administration were Rs. 17,604.15 billion as at March 31, 2025.

Awards and recognition received by SBI-SG during FY 2024-2025: SBI-SG has been rated Very Good for the fifth consecutive year in the Agent Banks in Emerging Markets Survey. Clients particularly praised the Relationship Management function, describing it as world-class and, in many respects, better than their experience in other custody markets.

Operations Support Services

State Bank Operations Support Services Pvt. Ltd. (“**SBOSS**”) is a wholly owned subsidiary of SBI set up in July 2022, for providing operations support services to RUSU branches of SBI. SBOSS has its Registered Office in New Delhi. The subsidiary is providing support services to SBI in Agri/MSME/Micro loans.

SBOSS deploys Feet-On-Street (“**FOS**”) at RUSU Branches of the Bank with appropriate technology support for doorstep services to customers at a competitive cost. It provides support to more than 8000+ RUSU Branches (including Urban and Semi Urban) across 17 Circles in the Bank. This facilitates greater Financial Inclusion through provision of appropriate credit linkages as part of our national development goals.

The Company 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 is also envisaged to extend its operation support to the Bank in other segments and geographies for providing further impetus in business growth and value creation in areas like customer service, ATM and vendor management support, etc. as per mandate received from the Bank from time to time.

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Regional Rural Banks

The Bank has sponsored, in accordance with the Regional Rural Banks Act, 1976 (the “**RRB Act**”), 14 RRBs covering over 234 districts in 13 states and 1 Union Territories (“**UT**”) with a network of 4,774 branches as of March 31, 2025. Over the years, changes have been brought in RRBs through various guidelines issued by the RBI and the Government, to align their products, services and processes with commercial banks to a large extent. As provided for in the RRB Act and subsequent amendments thereto and in accordance with the various guidelines issued by the Government from time to time, a sponsor bank owes certain responsibilities towards RRBs. These responsibilities include approving annual business plans and monthly monitoring of performance, extending managerial assistance through secondment of high-level staff, undertaking management audit, facilitating training, guidance and support through the Bank’s Treasury and Markets Group and its IT department. The Government holds 50.0% and each relevant state government holds 15.0% of the shares in each RRB. As of March 31, 2025, the Bank’s shareholding in each RRB is 35%.

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. Their target customer group comprises, to a large extent, people engaged in agriculture, small business, retail and services, to whom the RRBs provide banking and financial services such as accepting deposits, providing remittance facilities, extending credit support and cross-selling. RRBs also actively participate in various Central Government initiatives such as, among others, PMEGP, NRLM, PMJDY, PMJJBY, PMSBY and APY. The Bank constantly endeavors to strengthen RRBs by enabling the implementation of various IT initiatives such as, among others, EMV Cards, Micro ATMs, Kiosk BC solution, Aadhar Enabled Payment Systems, IMPS, RTGS, NEFT, INB, MBS, UPI and Whatsapp banking. RRBs are also operating through BC channel with various services and have operationalized Aadhar Centers at select locations.

In order to stay competitive alongside newer banks by way of digital presence, 12 RRBs out of 14 are extending mobile banking facility to the customers. Loan Origination System, SIM binding solution in RRBs having Mobile Banking services, Bharat Aadhar Seeding Enabler (BASE), Contactless Debit Card and Fraud Risk Management facilities were made live in RRBs.

Information Technology Systems and Infrastructure

The Bank's IT infrastructure provides connectivity across its large branch network both in India and globally. The Bank has made significant investments in developing its IT infrastructure over the years to 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.

The Bank is working towards automating many of its processes through real-time integration with internal and external systems, including introducing artificial intelligence and machine learning-driven processes. The Bank is also actively engaging with fintech start-ups.

Functionality of the MSME SAHAJ Seller's invoice Financing on YONO business which provides digital loans and financing through GST Sahay App is under development. The Bank is one of the stakeholders in a SIDBI-led PSB Consortium, which offers SMEs quick and simple access to loans through CLP platform "psbloanin59minutes.com". The Bank also implemented the Assisted Journey, which allows operating functionaries such as RM (SME) team, field officers and Branch Managers to initiate the CLP journey on behalf of the customer without needing them to input any details. The Bank is also a major player in supply chain finance while strengthening corporate relationships across sectors.

Mobile Banking Services

The Bank is one of the market leaders in a competitive and dynamic mobile banking market, with a market share of 27% in terms of the number of transactions and 26% in terms of the total value of transactions as of March 31, 2025 according to the RBI. The Bank's mobile based solutions, YONO ("You Only Need One"), YONO business, YONO Lite and BHIM SBI Pay, offer low cost, round-the-clock and real-time banking services to customers, with a focus on efficient use and ensuring security. As of March 31, 2025, YONO had more than 10 million downloads on its mobile banking platform and had more than 767 million registered users on its mobile banking platform.

Customers are able to transfer funds with a 24-hour and 365-days available mode of remittances such as the unified payments interface platform and immediate payment service, making bill payments, recharging their mobile/direct-to-home top-up, viewing their bank balance, as well as transaction summaries. For investment services, customers can expediently open e-fixed deposits, recurring deposits and multi option deposit schemes with options for pre-mature closures as they wish. Non-financial transactions services offered include ordering cheque books and managing or blocking debit cards.

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 a branch customer to conduct various transactions such as making deposits, withdrawals and fund transfers without filling out any paperwork, which allows customers to save time and paper resources. A customer swipes their ATM or debit card on a point-of-sale machine located at the bank teller's window, selects a transaction type and amount and inputs 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 allows customers to transfer funds into the accounts of others. The Bank also introduced a "virtual" debit card called State Bank Virtual to address customer concerns relating to debit card fraud in ecommerce transactions. This enables a customer to log into his or her online banking account to create a virtual debit card which will expire in 48 hours and can be used for only one transaction. The Bank believes this service will promote e-commerce by providing additional security and reliability for making online purchases.

Internet Banking

As of March 31, 2025, all of the Bank's domestic branches were authorized to register customers for internet banking services, and approximately 90.96 million customers in the retail segment and approximately 2.6 million customers in the corporate segment were registered for internet banking. The internet banking service is accessed through the Bank's website at www.onlinesbi.sbi. The Bank's internet banking solution is a cost-effective channel and a comprehensive product for both retail and corporate users, including public sector undertakings and government agencies. In fiscal years 2025, 2024 and 2023, the Bank's internet banking enabled approximately 0.66 billion, 1,399.89 million and 1,488.07 million transactions. 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. The Bank has optimized its internet banking platform for visually impaired customers.

For retail users, the Bank's internet banking portal offers a host of services, such as balance inquiry, 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 check books, demand drafts, banker's checks, gift cards, as well as stop payment requests for checks. It also enables viewing and downloading of dematerialized account statements, online applications for initial public offerings through the applications supported by blocked amount ("ASBA") process, donations to charitable and religious organizations and relief funds, mobile and DTH 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 inquiry, funds 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 the payment of bills, salary and taxes, top-up of pre-paid cards, remittance to intrabank 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.

The number of internet banking users at the Bank was 90.96 million, 93.61 million and 79.75million as of March 31, 2025, 2024 and 2023, respectively.

Dematerialized and Online Trading

SBICAP Securities Limited ("SSL") is the brokerage arm of the Bank and a wholly owned subsidiary of SBI Capital Markets Ltd. SSL commenced operations in the first quarter of the fiscal year 2007 with a view to providing primary and secondary capital market access to investors both within the Bank and also in the wider public domain. The service provides access to dematerialized trading in equities, derivatives and investments in initial public offerings, follow on public offerings, mutual funds, exchange traded funds, Sovereign Gold Bonds, 54EC Bonds, Corporate FDs, and other Third Party Products from home or office through www.sbisecurities.in and Mobile Application (available on Google Play Store and Apple App Store under name SBI Securities).

SSL serves over 5.77 million customers through state-of-the-art trading platforms on mobile apps, websites, and dealer terminals and offers its customers a variety of products and services to choose from, such

as equity, derivatives, currency trading, mutual funds, tax free bonds, distribution of home loans and auto loans to meet their financial needs.

In retail trading, the market share has increased to 1.2% in FY 2025 as compared to 1.04% in previous year. In margin funding product, the book size grew to 5.11% in FY 2025 as against 4.82% in the corresponding previous year. During FY2025, SSL has acquired 1.315 million Demat accounts consisting of 1.309 million from retail base, 1,324 NRI accounts and 4,127 Wealth accounts.

In retail assets, SSL as the captive sourcing arm of State Bank of India played a significant role in the Bank's overall home loan and auto loan business. The company achieved a remarkable milestone of Rs 1 trillion plus disbursement in home loan and auto loan verticals. The company has its geographical footprints with more than 450 locations for home loan and more than 710 locations for Auto Loan at pan India level to cater to its customers with SBI home loan and auto loan products respectively.

SSL has enhanced its mobile application with various features, such as an edit profile section where customers can easily manage and update their account details, facility of in-app banners, notifications for account updates, market insights, feedback and surveys, an addition of new reports like capital gain reports, margin trading facility ("**MTF**") and Non-MTF ledger and interest rate reports.

The company has introduced several digital products such as buyback of shares, Equity SIP (systematic investment plan) to enable customers creating their own basket of equity stocks and invest in equated instalment, allowing E-margin (Margin Trading Facility of SSL) positions till 365 days with interest charge after 23 trading days.

IT Infrastructure

Core Banking Solution

The Bank has an extensive core banking platform in India and has been benchmarked to process an average transaction load of over 23,000 transactions per second, up to 500 million transactions per day and processing capability of two billion accounts. All of the Bank's branches are connected to the Bank's core banking application, a 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 a second level authentication system for core banking application users with a view to prevent fraud perpetrated through the misuse of passwords. 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, 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 superior customer experience.

Other IT-based Services

The Bank provides e-Freight, an online payment facility for railway freight. E-Freight is supported by a guarantee from the Bank. The Bank also provides e-Auction services for the Government, 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 Bank facilitates the online collection of taxes, fees, earnest money deposit towards e-trading and e-auction through a multi-option payment system 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 the backbone for its overall technology infrastructure. The Bank depends 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, corporate email and internet portals. State Bank Connect is a secure, robust WAN, connecting all branches and ATMs of the Bank through wired data circuits, very-small-aperture terminals and other wireless connectivity technologies. State Bank Connect's primary point-to-point data links have recently migrated to multiprotocol label switching infrastructure to increase uptime and enable upgrade of bandwidth.

Trade Finance Project

The Bank operates a centralized trade finance solutions platform, EximBills Enterprise, which has been customized and extended across all of the Bank's branches conducting trade finance activities. EximBills Enterprise 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.

EximBills Enterprise 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, including multi-currency accounting, faster turnaround for clients and data integrity across systems. As of March 31, 2025, 14,969 branches (including trade finance central processing centers and their linked branches) were enabled with the Bank's EximBills Enterprise application and over 32,007 corporate customers have been provided with similar functions through Customer Enterprise applications over the internet.

Recent Initiatives

The Bank focuses on leveraging centralized IT administration to maximize the benefits of IT across its branches and banking operations, including lower total 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 58 Liability Hubs in key business 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.

Business Process Review

The Bank seeks to continually review its operations and processes in light of changing market demand and customer needs. Initiatives seek to reach out to acquire new high net worth customers, build deep and lasting relationships with existing customers and provide all customers with the best quality of service across multiple channels.

Developing new IT-supported delivery channels is an important initiative designed to meet changing market demand. The Bank has migrated a significant number of transactions over the years from its branches to alternate service channels, including ATMs, internet business correspondents and point-of-sales. For the year ended March 31, 2025, 98.20% of the Bank's transactions were conducted through alternate channels. Sales and service activities have been segregated and specialized sales teams have been created to cater to customers' specific requirements. Relationship managers have been deployed to cater to specific segments of customers. The Bank now promotes multi-city checks, which can be paid at all Bank branches across India.

As a result of such initiatives, the Bank is handling an increased volume of customer transactions and deriving the benefits of standardization, skill pooling, economies of scale, improved ambience and significantly increased and accommodative customer space. Current initiatives focus on new processes and technology upgrades in order to create and sustain market-leading practices so as to retain a leadership position in the Indian banking industry.

Awards

The Bank has received notable awards, including, most recently:

- “The Best Bank in India Award” in 2022, 2023 and 2024 from Global Finance Magazine.
- Ranked 4th Most Trustworthy Bank Globally by Newsweek for the year 2024
- Recognised among the World’s Best Trade Finance Providers 2025 by the Global Finance Magazine, New York
- Awarded the Best Bank in Retail Finance Category by Federation of Automobile Dealers Association, India (FADA)
- Awarded Best Digital Bank Award by FE India’s Best Banks Awards 2024
- Ranked 5th Strongest Indian Brand 2024 by Brand Finance India 100 2024
- Honoured with the prestigious award for Contribution to the sector by an Enabling Institution at Global Inclusive Finance Summit, Delhi
- SBI awarded “Best category in Public Sector Banks” for excellence in financial reporting by ICAI.
- In the ET Human Capital Awards 2025, State Bank of India (SBI) received recognition for its HR practices and as HR Leader of the Year - Large Scale Organisations, won Gold for Excellence in Business Continuity Planning & Management, Most Valuable Employer During COVID and Best Learning Management System.
- Top Performing Bank in EASE 6.0 CITATION and also received two other recognitions: Winner in “Delivering excellence in customer service with digital enablement” and “Tech and data-enabled capability building”.
- SBI won Bronze for Best Use of Meta in 15th India Digital Award
- 9th DIGIXX Awards 2025
 - Brand of the Year — Gold
 - Best Short Video Campaign (Multiple Platforms) — Gold
 - Best Use of Social Media in Brand Activation — Silver
 - PR/Online Reputation Management (ORM) — Silver
 - Brand Awareness Campaign — Bronze
- BW Merit Awards 2024
 - Best in Sector BFSI: Silver
 - Best use of Influencer: Gold
 - Awarded with Best Bank in MSME Lending
- Brand of the Year: Gold

Competition

The Bank faces competition in all its principal areas of business. Private sector banks, foreign banks and other public sector banks are the Bank's main competitors, followed closely by non-banking finance companies, mutual funds and investment banks. The Bank 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. The Bank seeks to gain a competitive advantage by offering 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 the Bank's key customers. See *"Investment Considerations — Risks relating to the Bank's Business — The Indian banking industry is very competitive and the Bank's growth strategy depends on its ability to compete effectively."*

Corporate Banking

Corporate banking faces competition from foreign and private 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.

Traditional corporate banking also 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 Corporate Accounts Group has been able to counter this competition through strong customer relationships, as well as through efficient and focused delivery of products and services. This has been most noticeable in the area of trade finance services, including letters of credit. To further counter the downward pressure on margins, the Bank intends to focus on developing new fee-based services, such as supply chain financing and wholesale banking services such as payment and collections services through its CMP platform.

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 mass affluent, and geographic 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. In addition, in rural banking and micro finance, the Bank believes it can build on the strength of its extensive geographic presence and reputation to continue to expand in these areas.

The Bank has sought to capitalize on 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.

In recent years, investment in mutual funds has become an increasingly viable alternative to traditional banking products, since they offer tax advantages and have the capacity to earn competitive returns. This has resulted in competition for the deposit base of the Bank's retail customers. The Bank has sought to address the 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 its host countries. In its international operations, the Bank faces competition from other Indian banks with overseas operations, as well as foreign banks with products and services targeted at non-resident Indians and Indian businesses and other service providers. The Bank intends to leverage its strong relationships with Indian corporations in its international business.

Government Banking

The RBI conducts Government and state government business through all public sector banks and only three private sector banks. Private sector banks have gradually increased their market share in government operations, and if the Bank is unable to successfully compete with private sector banks or other public sector banks for such business or if the commission rates paid by the RBI to dealing banks are reduced, the Bank's business and/or income derived from such government operations will be adversely affected. The Bank intends to meet these challenges by leveraging its strong historical relationship with Government departments and ministries, robust core banking solution-enabled branch network, state-of-the-art technology, proven capabilities to meet Government requirements in providing customized e-solutions, as well as a dedicated, well trained work force that handles Government business effectively and efficiently.

Legal and Regulatory Proceedings

The Bank is involved in certain legal proceedings in the ordinary course of its business. However, at the date of this Offering Circular, the Bank is not a party to any proceedings, and is not aware of any current, pending or anticipated proceedings by governmental authorities or third parties, which, if adversely determined, would have a material adverse effect on the Bank's financial condition and results of operations. See *"Investment Considerations — Risks Relating to the Bank's Business — The Bank is involved in various litigation matters. Any final judgment awarding material damages against the Bank could have a material adverse impact on its future financial performance, stockholders' equity and the trading price of the Notes."*

Insurance

The Bank maintains its own insurance policies and coverage that it deems to be appropriate. The Bank's standard insurance policies cover for losses of or damage to property, including furniture, fixtures, computer hardware, ATMs and vehicles. Cash-in-transit, cash, securities and precious metals and other valuables are covered against theft. In addition, the Bank has also obtained a fidelity policy for employees, as well as directors' and officers' liability insurance to cover the Bank's directors and other key management members. The Bank believes it carries insurance coverage commensurate with its level of operations and risk perception.

Employees

As of March 31, 2025, the Bank had 236,226 employees of whom 48.71% (i.e. 115,066) were officers, 39.83% (i.e. 94,080) were associates and 11.46% (i.e. 27,080) were subordinate staff and others. The Bank's employees include professionals in business management, accountancy, engineering, law, computer science, economics and other relevant disciplines. The Bank's team of employees is guided by a common vision, shared values and the highest standards of integrity and governance.

The following table sets forth, for the period indicated, the average business per employee and average business per branch.

	As of and for the year ended March 31,		
	2023	2024	2025
	(Rs. in million)		
Average business per employee ⁽²⁾	297.8	341.0	373.7
Average business per branch ⁽³⁾	3,140.4	3,520.1	3,889.1
Net profit per employee ⁽¹⁾⁽²⁾	2.12	2.62	299.1
Net profit per branch ⁽³⁾	22.39	27.05	31.13

Notes:

- (1) Calculated on the basis of net profit for the year or period as divided by the average total number of employees of the bank as of the last day of the relevant year or period.
- (2) The number of employees includes employees in foreign offices and contractual employees.
- (3) The number of branches includes foreign branches.

The Bank believes that its employees are its most valuable assets. The Bank has implemented e-learning to provide online training and assessment, as well as an internal social networking website for employee interaction. The Bank's training system functions under the supervision and guidance of the Bank's Strategic Training Unit with six apex training institutes and 51 State Bank Institutes of Learning and Development under them.

The Bank faces competition for the recruitment and retention of its employees. Losing qualified employees to competitors has been a concern for the Bank in the past and is likely to be a continuing concern for the Bank in the future. In order to keep the employees engaged and motivated for high levels of productivity, the Bank has modified and implemented an IT-based "One Umbrella" performance-linked incentive scheme, which covers both the Bank's core and non-core business operations. The incentive payment to employees is linked to the category of an employee's position vis-à-vis his or her level of performance.

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 rolled out the scheme called "SBI Gems". Senior officials may award "gems" to junior colleagues across the Bank as a token of appreciation for their quality of performance. The Bank also launched the "SANJEEVANI-SBI HR" helpline. It is a two-way communication channel between employees and the HR Team through an interactive voice response system to provide quick and meaningful resolution of HR matters. Employees can utilize the SANJEEVANI helpline facilities by phone, SMS and e-mail.

In addition, the Bank has launched the Career Development System ("CDS") or "Saksham" with the objective of approaching performance review of employees and resource planning in a scientific and objective way at all levels in the Bank. CDS is designed to help ensure transparency and to provide an opportunity for systematic, dynamic and progressive career planning to an individual. CDS is intended to be an effective tool for promotion, incentives and rewards for the Bank's employees.

Properties

The Bank's principal network consists of 22,937 branches and 63,791 ATMs (including ADWMs) as of March 31, 2025. These facilities are located throughout India. In addition to the branches, extension counters and ATMs, the Bank maintains 17 administrative circles.

The Bank revalues freehold immovable assets at every three years. The increase in Net Book Value of the relevant 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 of the useful life of the asset, as assessed at the time of revaluation.

During FY 2025, the Bank has revalued freehold immovable properties (earlier revalued in fiscal year 2019-2020) based on valuation reports obtained from external independent valuers and the closing balance of Revaluation Reserve as of March 31, 2025 (net of amount transferred to General Reserve) was Rs. 273.56 billion).

DESCRIPTION OF ASSETS AND LIABILITIES OF THE BANK

The total assets of the Bank increased by 12.01% from Rs. 55,169.78 billion as of March 31, 2023, to Rs. 61,796.94 billion as of March 31, 2024, which in turn increased by 8.03% to Rs. 66,790.53 billion as of March 31, 2025. The Bank's loan portfolio increased by 15.78% from Rs. 31,992.69 billion as of March 31, 2023, to Rs. 37,039.71 billion as of March 31, 2024, which in turn increased by 12.40% to Rs. 41,633.12 billion as of March 31, 2025. The Bank's investments increased by 6.43% from Rs. 15,703.66 billion as of March 31, 2023, to Rs. 16,713.40 billion as of March 31, 2024, which in turn increased by 1.15% to Rs. 16,905.73 billion as of March 31, 2025. The Bank's portfolio of outstanding borrowers comprises companies representing a full range of industrial activities. The Bank's market share is 22.54% in Deposits and 19.36% in Advances as of March 31, 2025

The following table sets out the assets of the Bank as of the dates indicated below.

	As of March 31,					
	2023		2024		2025	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(Rs. in millions, except %)					
Assets						
Cash in hand.....	214,095	0.39	184,015	0.30	183,913	0.28
Balance with RBI	2,256,781	4.09	2,067,402	3.35	2,088,262	3.13
Balances at banks and money at call and short notice	608,120	1.10	856,603	1.39	1,130,122	1.69
Investments	15,703,662	28.46	16,713,397	27.05	16,905,727	25.32
Advances	31,992,693	57.99	37,039,709	59.94	41,633,121	62.36
Premises, less depreciation	326,345	0.59	323,700	0.52	323,990	0.49
Assets under construction (including premises)	2,811	0.01	4,909	0.01	4,228	0.01
Other fixed assets (including furniture & fixture) less depreciation	94,663	0.17	97,563	0.16	112,857	0.17
Other assets	3,970,616	7.20	4,509,642	7.30	4,378,312	6.56
Leased assets	0	0	0	0	0	0
Total Assets	55,169,785	100	61,796,939	100	66,760,533	100

The following table sets out the advances of the Bank as of the dates indicated below.

	As of March 31,		
	2023	2024	2025
	(Rs. in millions)		
Advances			
Bills purchased and discounted.....	1,818,099	2,173,770	2,432,842
Cash credits, overdrafts and loans repayable on demand.....	8,368,492	10,014,544	11,788,373
Term loans	21,806,102	24,851,395	27,411,906
Total	31,992,693	37,039,709	41,633,121
Secured by tangible assets (includes advances against book debts)	21,358,047	23,917,755	27,363,345
Covered by bank/government guarantees	1,331,001	1,931,465	2,209,311
Unsecured	9,303,645	11,190,488	12,060,465
Total	31,992,693	37,039,709	41,633,121
Advances in India			
Priority sector	6,976,444	8,041,842	9,073,483
Public sector	2,588,914	2,525,580	2,183,282
Banks	4,471	2,769	40,279
Others	17,514,897	21,089,788	24,156,725
Total	27,084,726	31,659,979	35,453,768
Advances outside India			
Due from banks	1,511,136	1,788,798	2,027,329
Due from others			
(A) bills purchased and discounted.....	425,186	424,244	390,111
(B) syndicated loans	2,107,756	2,158,900	2,472,316
(C) others.....	863,889	1,007,787	1,289,596
Total	4,907,967	5,379,729	6,179,353
Grand Total	31,992,693	37,039,709	41,633,121

Advances

The Bank's advances grew by 12.03% to Rs. 42.21Lakh Crore in FY 2025. Domestic credit grew by 11.56% Rs. 36.02 Lakh Crore and foreign offices loans portfolio grew by 14.84% to Rs. 6.19 Lakh Crore. The majority of the Bank's advances are to borrowers in India. For a description of the Bank's consumer loan products, see "*Description of the Bank — Business Groups — National Banking Group — Personal Banking*".

The Bank makes loans to a wide range of public sector and private sector commercial and industrial customers, agricultural customers and individual customers, in each case within the guidelines issued by 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 table sets forth, for the periods indicated, the Bank's domestic advances portfolio classified by product groups.

	As of March 31,		
	2023	2024	2025
	(Rs. in billions)		
Corporate loans	9,797.7	11,382.0	12,405.9
SME loans.....	3,592.7	4,330.4	5,060.3
Agriculture loans.....	2,586.1	3,049.4	3,485.2
Retail loans.....	11,791.5	13,522.7	15,064.8
Total domestic loans	27,768.0	32,284.5	36,016.2

Industry Concentration

The following table sets out an analysis of gross outstanding loans (fund-based) by industry or sector as of the dates indicated.

		As of March 31,					
		2023		2024		2025	
		Amount	% of Total	Amount	% of Total	Amount	% of Total
		(Rs. in millions, except %)					
	Category						
1	Coal	553,183	0.17%	82,541	0.21%	78,914	0.18%
2	Mining	1,719,359	0.52%	146,699	0.38%	146,858	0.34%
3	Iron & Steel	5,879,301	1.76%	799,154	2.08%	746,348	1.73%
4	Metal Products.....	3,419,710	1.02%	364,655	0.95%	437,806	1.02%
5	All Engineering	3,350,053	1.00%	414,378	1.08%	545,374	1.27%
5.1	Of which Electronics	573,053	0.17%	71,549	0.19%	119,263	0.28%
6	Electricity	54,255	0.02%	21,647	0.06%	33,887	0.08%
7	Cotton Textiles	2,243,743	0.67%	259,731	0.67%	271,405	0.63%
8	Jute Textiles.....	64,324	0.02%	8,087	0.02%	8,892	0.02%
9	Other Textiles	1,191,517	0.36%	132,837	0.35%	135,020	0.31%
10	Sugar	699,313	0.21%	97,333	0.25%	108,862	0.25%
11	Tea.....	120,152	0.04%	15,188	0.04%	16,310	0.04%
12	Food Processing.....	5,809,032	1.74%	747,508	1.94%	1,024,933	2.38%
13	Vegetable Oils & Vanaspati.....	508,681	0.15%	62,870	0.16%	68,422	0.16%
14	Tobacco/Tobacco Products	22,315	0.01%	24,008	0.06%	40,056	0.09%
15	Paper/Paper Products	651,369	0.20%	65,897	0.17%	73,440	0.17%
16	Rubber/Rubber Products.....	1,018,804	0.31%	110,980	0.29%	117,111	0.27%
17	Chemicals/Dyes/Paints etc.	9,787,604	2.93%	1,010,283	2.62%	1,038,332	2.41%

		As of March 31,					
		2023		2024		2025	
		Amount	% of Total	Amount	% of Total	Amount	% of Total
17.1	Of which Fertilizers	1,408,741	0.42%	114,594	0.30%	101,582	0.24%
17.2	Of which Petrochemicals	4,546,995	1.36%	457,347	1.19%	533,711	1.24%
17.3	Of which Drugs & Pharma.....	2,398,823	0.72%	220,136	0.57%	199,477	0.46%
18	Cement	818,640	0.25%	95,387	0.25%	108,987	0.25%
19	Leather & Leather Products	219,615	0.07%	22,367	0.06%	27,447	0.06%
20	Gems & Jewellery	1,106,830	0.33%	112,017	0.29%	95,018	0.22%
21	Construction	4,387,693	1.31%	550,792	1.43%	663,161	1.54%
22	Petroleum	8,261,577	2.47%	919,701	2.39%	1,069,849	2.48%
23	Automobiles & Trucks.....	1,710,403	0.51%	201,000	0.52%	251,507	0.58%
24	Computer Software.....	197,608	0.06%	25,443	0.07%	34,481	0.08%
25	Infrastructure	39,868,141	11.94%	4,321,219	11.23%	4,483,520	10.40%
25.1	Of which Power.....	20,387,603	6.11%	2,236,619	5.81%	2,592,859	6.02%
25.2	Of which Telecommunications	4,361,173	1.31%	348,723	0.91%	311,289	0.72%
25.3	Of which Roads & Ports	10,085,246	3.02%	1,072,308	2.79%	963,207	2.24%
26	Other Industries	53,312,397	15.97%	5,624,656	14.61%	5,999,885	13.92%
27	NBFCs & Trading	54,056,637	16.19%	6,881,859	17.88%	8,160,642	18.94%
28	Residual Advances	132,807,859	39.78%	15,369,494	39.93%	17,306,896	40.16%
	Total.....	331,596,372	100.00%	38,487,731	100.00%	43,093,360	100.00%

	As of March 31,			
	2024		2025	
	(Rs. in millions, except %)			
Industry Type				
Infrastructure	3,946.81	12.23%	3,973.2	11.03%
of which Power.....	2,047.29	6.34%	2,274.08	6.31%
of which Telecommunication	303.76	0.94%	256	0.71%
of which Roads & Ports.....	1,128.35	3.50%	1,016.09	2.82%
of which Other Infrastructure	467.41	1.45%	427.03	1.19%
Services	4,549.05	14.09%	5,013.48	13.92%
Iron & Steel	661.36	2.05%	634.17	1.76%
Aviation & Airports.....	212.73	0.66%	245.32	0.68%
Tourism & Hotels	131.35	0.41%	106.18	0.29%
Textiles	387.55	1.20%	397.54	1.1%
Petroleum & Petrochemicals	586.67	1.82%	657.73	1.83%
Engineering.....	263.10	0.81%	371.28	1.03%
Comm. Real Estate	580.59	1.80%	699.55	1.94%
Other Industries	4,393.18	13.61%	5,367.73	14.9%
Home Loans.....	7,258.18	22.48%	8,307.63	23.07%

	As of March 31,			
Auto Loans	1,165.43	3.61%	1,271	3.53%
Other Retail Loans.....	5,099.04	15.79%	5,486.14	15.23%
Agriculture.....	3,049.44	9.45%	3,485.24	9.68%
Total Domestic Advances	32,284.48	100.00%	36,016.2	100%

As of March 31, 2025, fund-based exposure to the Bank's top 10 largest single borrowers amounted to Rs. 3,253.52 billion, representing approximately 0.63% of its total Tier I and Tier II capital. As of March 31, 2025, the Bank had a total exposure of Rs. 684.78 billion for its single largest borrower, representing 0.13% of its Tier I and Tier II capital.

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 at the dates indicated.

	As of March 31,		
Circle	2023	2024	2025
	(Rs. in billions, except %)		
Ahmedabad	3%	3%	3%
Amravati	5%	5%	5%
Bengaluru.....	6%	6%	6%
Bhopal	4%	4%	4%
Bhubaneswar.....	3%	3%	3%
Chandigarh.....	3%	3%	3%
Chennai	4%	5%	5%
Guwahati	4%	4%	4%
Hyderabad	3%	3%	3%
Jaipur.....	4%	4%	4%
Kolkata.....	2%	2%	2%
Lucknow	3%	3%	3%
Maharashtra.....	5%	5%	5%
New Delhi	3%	3%	3%
Patna.....	4%	3%	3%
Thiruvananthapuram	5%	5%	5%
Mumbai (metro).....	3%	3%	3%
Corporate Center ⁽¹⁾	36%	36%	36%
Total domestic advances	100%	100%	100%

Note:

- (1) The Corporate Center houses the Corporate Banking Group and the Commercial Clients Group. The Corporate Banking Group comprises three strategic business units, namely Corporate Accounts, Project Finance and Leasing, and the Financial Institution Business Unit. Also housed at the Corporate Center is the SARG. The Corporate Accounts group has offices in Chennai, Mumbai, Kolkata, New Delhi, Hyderabad and Ahmedabad and the Project Finance and Leasing group's office is located in Mumbai. However, these two business groups extend loans to borrowers located throughout India. The SAMG has offices at 14 centers, namely Ahmedabad, Bangalore, Bhopal, Bhubaneswar, Chandigarh, Chennai, Ernamulam, Kolkata, Lucknow, Ludhiana Mumbai, New Delhi, Patna and Secunderabad. The Commercial Clients Group has nine regional offices at eight locations at Ahmedabad, Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, New Delhi — I, New Delhi — II and Pune.

The Bank's total exposure to its 10 largest individual borrowers as of March 31, 2025 totaled approximately Rs. 4,663.61 billion, or approximately 0.90% of its total Tier I and Tier II capital.

Asset and Liability Maturity Profile

The following tables set out the maturity profile of the Bank's assets and liabilities as at the dates indicated.

Loans and Advances

	As of March 31,		
	2023	2024	2025
	(Rs. in millions)		
Due in one year or less	6,880,785	7,250,542	8,271,004
Over 1 year to 3 years	11,554,328	14,214,788	16,158,001
Over 3 years to 5 years.....	4,336,657	4,995,085	5,088,821
Over 5 years	9,220,923	10,579,294	12,115,294

Investment Securities

	As of March 31,		
	2023	2024	2025
	(Rs. in millions)		
Due in one year or less	3,482,810	2,587,260	1,950,073
Over 1 year to 3 years	2,618,464	3,121,033	2,556,139
Over 3 years to 5 years.....	2,383,183	2,134,964	3,431,268
Over 5 years	7,219,206	8,870,138	8,968,247

Deposits

	As of March 31,		
	2023	2024	2025
	(Rs. in millions)		
Due in one year or less	16,521,395	17,643,943	18,455,696
Over 1 year to 3 years	9,631,439	13,088,247	15,658,998
Over 3 years to 5 years.....	5,255,124	4,991,892	5,263,738
Over 5 years	12,829,819	13,436,686	14,443,464

Borrowings

	As of March 31,		
	2023	2024	2025
	(Rs. in millions)		
Due in one year or less	3,175,757	3,799,088	3,087,503
Over 1 year to 3 years	660,952	805,582	679,283
Over 3 years to 5 years.....	533,669	427,872	426,901
Over 5 years	560,975	943,067	1,442,038

Foreign Currency Assets

	As of March 31,		
	2023	2024	2025
	(Rs. in millions)		
Due in one year or less	2,991,157	3,246,752	3,806,559
Over 1 year to 3 years	1,386,991	1,820,892	2,283,564
Over 3 years to 5 years.....	1,083,220	1,085,021	969,165
Over 5 years	619,716	575,474	852,636

Foreign Currency Liabilities

	As of March 31,		
	2023	2024	2025
	(Rs. in millions)		
Due in one year or less	3,281,012	3,723,148	4,713,966
Over 1 year to 3 years	749,154	991,922	1,220,117
Over 3 years to 5 years.....	547,432	643,874	553,204
Over 5 years	283,767	192,939	197,699

Investment Portfolio

Bank's total investment book increased by 1.15% to Rs. 16,906 billion, of which 95.62% are domestic investments carried out by our Global Markets Unit ("GMU"). Within the domestic investment portfolio, 75.08% is in HTM category while the rest is under AFS, FVTPL-HFT, FVTPL-NHFT and A&S category.

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 attempts to achieve the highest risk-adjusted returns on its funds. The Bank is required to maintain a minimum holding of 18% of its demand and time liabilities in SLR securities. 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.

The following table details the Bank's investment portfolio in the last three fiscal years.

Investments	As of March 31,		
	2023	2024	2025
	(Rs. in millions)		
Investments in India in			
Government securities	12,383,289	13,657,402	13,266,767
Other approved securities	—	—	—
Shares	140,879	71,993	233,024
Debentures and bonds	2,133,928	1,776,471	1,800,747
Subsidiaries/joint ventures (including associates)	140,502	155,598	163,636
Others (units of mutual funds commercial papers priority sector deposits etc.).....	290,763	389,373	699,724
Total	15,089,361	16,050,836	16,163,898
Investments outside India in			
Government securities (including local authorities)	300,592	316,798	343,389
Subsidiaries/joint ventures abroad	56,802	56,802	56,802
Other investments (shares, debentures, etc.).....	256,907	288,960	341,638
Total	614,301	662,561	741,829
Grand total.....	15,703,662	16,713,397	16,905,727
Investments in India			
Gross value of investments	15,241,893	16,148,521	16,197,729
Less: aggregate of provisions/depreciation.....	152,532	97,685	33,831
Net investments (vide I above)	15,089,361	16,050,836	16,163,898
Total	15,089,361	16,050,836	16,163,898
Investments outside India			
Gross value of investments	632,088	673,624	741,829
Less: aggregate of provisions/depreciation.....	17,787	11,063	0

Investments	As of March 31,		
	2023	2024	2025
	(Rs. in millions)		
Net investments (vide II above).....	614,301	662,561	741,829
Total	614,301	662,561	741,829

Credit Management Policies and Procedures

Credit Approval and Monitoring

The Bank's credit approval process involves multiple levels of loan approval authority, depending on the loan amount and other factors such as the nature of the credit, the conditions of the transaction and whether or not the loan is secured.

At each level of authority, loan applications are reviewed on the basis of the feasibility of the project from a technical, financial and economic point of view, and to ensure that the loan application falls within the realm of fair banking risk. In conducting such a review, the following factors are considered: the borrower's profile, management structure, past financial performance and credit ratings, the Bank's exposure to the company, industrial group and/or industry in light of prudential exposure norms, industry outlook and financial projections for the borrower company and/or project. In the case of overseas financing, appraisals also include an assessment of the overseas venture in terms of commercial risk, political risk and currency risk, an assessment of the relevant international market, an analysis of the benefits from the overseas venture likely to accrue to the Indian promoter, and compliance with regulatory guidelines. The Bank may also conduct a sensitivity analysis which includes variables such as debt servicing ratios and internal rates of return, and study the likely impact of changes in, among other things, price/unit cost.

The Bank has internal guidelines that limit the amounts of loans that can be authorized. This amount differs depending on the type of loan and certain other factors, such as type of borrowers or type of facilities.

The Bank disburses funds to a borrower in strict compliance with the terms of the sanction, after all necessary documentation has been executed. Specific approval is sought from the original sanctioning authority, or as delegated in accordance with the policy approved by the Executive Committee of the Central Board ("ECCB") or the Credit Policy and Procedures Committee ("CPPC") in case of any deviation from the terms of the sanction.

Examples of the types of procedures in place for various finance divisions include:

Corporate Finance Procedures

As part of the corporate loan approval procedures, the Bank carries out a detailed analysis of funding requirements including normal capital expenditure, long-term working capital requirements and liquidity. The Bank's corporate term loans are generally available for periods of three to 10 years. The Bank's corporate term loans may carry fixed or floating rates, as befits the requirements of the client and the risk profile. The repayment plan is generally linked to the cash flows of the company. The Bank's credit analysts gauge the applicant's particular funding requirements and evaluate the company's credit worthiness, factoring in the cash flows generated by it. Approved facilities will lapse within six months of the date of approval, unless they are used within that time.

Retail Loan Procedures

The Bank's retail loan customers are typically middle or high-income, salaried or self-employed individuals. The Bank's retail credit product operations are sub-divided into various product lines. Each product line is further sub-divided into separate sales, marketing and credit groups. The Bank has an established process for giving and collecting retail credits. In most cases, the Bank requires a contribution from the borrower and the loans are secured by the asset financed.

Working Capital Finance Procedures

The Bank carries out a detailed analysis of its borrowers' working capital requirements. The Bank's dedicated credit team has a deep understanding of the intricacies of various industries and is experienced in evaluating the business potential of companies. The credit team assesses the customer's specific credit requirements and customizes financial solutions to suit the business requirements of the customer and its risk profile. Working capital finance limits are normally valid for one year and repayable on demand. Approved facilities will lapse within three months of the date of approval unless they are used within that time.

Project Finance and Leasing Procedures

The Bank believes it has a strong framework for the appraisal and execution of project finance proposals and that such framework allows for risk identification, allocation and mitigation, and helps minimize residual risk. The Bank has formed a dedicated Project Finance unit to assess credit proposals and extend term loans for large industrial and infrastructure projects. Apart from this, project term loans for medium sized projects and smaller clients are delivered through the Corporate Banking Group, Commercial Clients Group and the National Banking Group. The loans are approved on the basis of in-house appraisal of the cost and viability of the venture, as well as the credit standing of promoters. Project finance is typically structured as long-term loans. Maturity periods and repayment modes are structured in line with the specific aspects of each project and industry, factoring in a timeframe for the venture to generate a stable revenue stream.

The Finance and Leasing unit is dedicated to lease financing for procuring equipment for projects or plants. The Bank enters into lease agreements as stand-alone contracts or as part of a structured package. The Bank typically undertakes leasing contracts with a minimum ticket size of Rs. 50 million, generally restricted to 50.0% of the total net worth of the lessee. Lease contracts are usually structured for a tenor of five to seven years. The Bank, however, has stopped encouraging new leases due to a change in tax law that has resulted in unfavorable tax treatment with respect to such lease contracts.

RBI Classification and Provisioning Requirements

The Bank classifies its assets in accordance with RBI guidelines. Under these guidelines, an asset is classified as non-performing if any amount of interest or principal remains overdue for more than 90 days in respect of term loans. In respect of overdraft and cash credit, an asset is classified as non-performing if the account remains out of order for a continuous period of 90 days, and in respect of bills, if the account remains overdue for more than 90 days.

Assets are classified as described below:

Standard asset.....	A standard asset is one which does not disclose any problem and which does not carry more than normal risks attached to the business. Such asset is not an NPA.
Sub-standard asset.....	A sub-standard asset is one which has remained an NPA for a period of less than or equal to 12 months.
Doubtful asset	A doubtful asset is one which has remained in the sub-standard category for a period of 12 months and more.

Assets are classified as described below:

Loss asset	A loss asset is one where loss has been identified by the bank or internal or external auditors or the RBI inspection, but the amount has not been written off wholly. In other words, such an asset is considered uncollectible.

The Bank's NPAs include loans and advances, as well as credit substitutes, which are funded credit exposures such as debentures and preference shares.

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
	(Rs. in billions)		
Standard	31,783.14	36,832.58	41,438.23
Sub-standard	126.65	149.97	158.31
Doubtful	512.05	415.52	366.71
Loss	270.58	277.28	243.79
Total.....	32,692.42	37,675.35	42,207.04

The following table sets forth the Bank's provisions for possible credit losses as at the dates indicated.

Asset Category	As of March 31,		
	2023	2024	2025
	(Rs. in billions)		
Provision held	692.70	630.34	570.22
Provision held as % of gross advances.....	2.12%	1.67%	1.35%
Provision held as % of gross NPAs	76.39%	75.02%	74.17%

Restructured Assets

RBI has issued separate guidelines for restructured assets. A fully secured standard asset can be restructured by rescheduling principal repayments and/or the interest element, but it must be separately disclosed as a restructured asset. The amount of sacrifice, if any, in the element of interest, measured in present value terms, is either written-off, or provision is made to the extent of the sacrifice involved. Similar guidelines apply to sub-standard assets. The sub-standard accounts which have been subjected to restructuring, whether in respect of a principal installment or an interest amount, are eligible to be upgraded to the standard category only after the specified period, which is a period of one year after the date when first payment of principal or interest, whichever is earlier, falls due, subject to satisfactory performance during the period.

Provisioning and Write-Offs

RBI guidelines on provisioning and write-off are as follows:

Assets are classified as described below:

Standard asset.....	The general provisioning requirement for “Standard Advances” has now been increased by the RBI from 0.25% to 0.40%, with the exception of banks’ direct advances to agricultural and SME sectors. For specific sectors, such as commercial real estate, provisioning at 1% is required.
Sub-standard asset.....	A general provision of 10.0% on total outstanding and 20.0% of the outstanding on the “unsecured exposures” identified as “sub-standard”. Unsecured exposure is an exposure where realizable value of security is not more than 10.0%, <i>ab-initio</i> , of the outstanding exposure.
Doubtful asset	Provision at 100.0% of the extent to which the advances are not covered by realizable value of security. In regard to the secured portion, provision is to be made as under:

Period for which advance remained in “Doubtful” category	Provision requirement
	(%)
Up to one year.....	25
One to three years	40
More than three years.....	100
Loss Assets.....	The entire asset is written off or 100% provision is made on outstanding amount.

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 marketplace, 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, including the establishment of SARG. See “*Description of the Bank — Business Groups — Stressed Assets Resolution Group*”.

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 according to 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, as under the Bank’s own scheme for limiting NPAs;
- upgrading the Bank’s assets; and
- high-value accounts and cases referred to the NCLT, especially in the doubtful and loss categories, through 16 specialized Stressed Assets Management branches.

As of March 31, 2025, 2024 and 2023, the Bank's gross NPAs represented 1.82%, 2.24% and 2.78%, respectively, of its gross customer assets, and the Bank's NPA, net of provisions, represented 0.47%, 0.57% and 0.67%, respectively, of its net customer assets.

See “Investment Considerations — Risks Relating to the Bank's Business — If the Bank is not able to control or reduce the level of NPAs in its portfolio, its business will be adversely affected”.

The following table sets forth, for the periods indicated, information about the Bank's unconsolidated NPA portfolio.

	As of March 31,		
	2023	2024	2025
	(Rs. in billions, except %)		
Gross NPAs	909.28	842.75	768.80
Specific provisions.....	692.70	630.34	570.22
Floating provisions.....	1.94	1.94	1.94
NPA net of provisions	214.67	210.51	196.67
Gross customer assets	32,692.42	37,675.35	42,207.04
Net customer assets	31,997.8	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 % of gross NPAs.....	76.18%	74.79%	74.17%
Total provisions as a % of gross NPAs.....	76.39%	75.02%	74.42%

The Bank's net provisioning coverage ratio as of March 31, 2025, March 31, 2024 and March 31, 2023 computed according to RBI guidelines, was 92.08%, 91.89% and 91.91%.

The Bank's SARG was established to ensure close and continuous monitoring and timely management of NPAs of Rs. 50 million and above. Since the beginning of fiscal year 2017, the Group has taken over the responsibility from the Bank for dealing with all NPAs of Rs. 1 million (from 2008 to 2016, all NPAs above Rs. 10 million were under the control of the Bank's SAMB) and above, in order to provide a greater focus on recovery. These NPAs are mostly held by SAMG branches which are under direct control of SARG at the Corporate Center. A high-power task force at Corporate Center reviews NPAs of Rs. 2 billion and above periodically. The NPA position of the Bank is also reviewed by the Central Management Committee of the Bank at monthly intervals.

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
	(Rs. in billions)		
Standard	31,783.14	36,832.58	41,438.23
Non-performing assets	909.28	842.76	768.80
Sub-standard assets	126.65	149.97	158.31

	As of March 31,		
	2023	2024	2025
	(Rs. in billions)		
Doubtful assets.....	512.05	415.52	366.71
Loss assets.....	270.58	277.28	243.79

The following table sets forth the Bank's NPAs for its 10 largest accounts, broken down by industry, as of March 31, 2025.

Industry (no. of accounts)	Gross principal outstanding
	As of March 31, 2025
	(Rs. in billions)
Infra Others (3).....	1,482.70
Roads (2)	2,985.61
Telecom (1)	2,170.60
Jewelry (1).....	1,001.78
Trading (1).....	904.32
Total (10)	8,545.01

Interests under the SARFAESI Act

To assist banks and financial institutions in recovering their unpaid advances and to ensure financial discipline among borrowers, the Government enacted the SARFAESI Act in December 2002. The SARFAESI Act provides the legal framework for: (i) the securitization of financial assets by setting up a securitization company ("SC") or a reconstruction company ("RC"); (ii) the foreclosure of assets through a SC or RC; and (iii) the foreclosure of NPA accounts.

The Bank has been applying all available methods for the recovery of unpaid advances, including reporting the name of willful defaulters to the RBI together with commencing the necessary steps for recovery. The Bank has also initiated one-time settlement measures to recover unpaid loans in terms of RBI's Framework for Compromise Settlements and Technical Write-offs dated June 8, 2023.

Pursuant to the SARFAESI Act, a bank which is a secured creditor may, in respect of loans classified as NPAs, give notice in writing to the borrower (the term includes guarantor) who had created the charge requiring them to discharge its liabilities within 60 days, failing which, and in the absence of any satisfactory objections or representations made by the borrower, such a secured creditor may take the following measures to recover the dues:

- taking possession of the secured assets of the borrower, including the right to transfer these assets by way of lease, assignment or sale for realizing the secured assets;
- taking over the management of the business of the borrower, including the right to transfer assets by way of lease, assignment or sale for realizing the secured assets;

- appointing any person to manage the secured assets after taking possession; or
- advising any person who owes money because of acquiring any of the secured assets from the borrower, to pay the money directly to the banks or secured creditors.

If required, the secured creditors may request the Chief Metropolitan Magistrate or the District Magistrate to take possession of part or whole of the secured assets and other related documents and forward the assets and documents to the secured creditors. On sale of the secured assets, the proceeds would first be utilized to meet all the expenses incurred in enforcement of security interest and then for payment of dues of secured creditors. The remaining amount would be paid to others in accordance with their rights and interests. In case the dues are not fully recovered by sale of secured assets, then the secured creditors may, within the relevant limitation period, file an application to the Debt Recovery Tribunal for the remaining dues. The secured creditors are also entitled to proceed against the guarantors and sell the charged assets independent of their action for enforcement of security interests against the borrower.

On April 8, 2004, the Supreme Court of India pronounced a judgment upholding the constitutional validity of the SARFAESI Act (with the exception of section 17(2)). The Government has since enacted the Enforcement of Security Interest and Recovery of Debts Laws (Amendment) Act 2004 (the “**Amended Act**”).

The salient features of the Amended Act are as follows:

- The Amended Act makes it mandatory for the secured creditor to consider any representation or objection raised by the borrower (on whom notice had been served) and communicate reasons for non-acceptance of the representation or objection within one week from the date of receipt of such representation or objection.
- Section 13(4)(b) empowers the secured creditor to take over the management of business of such borrower, to the extent it is related to the security of the debt. Where a substantial part of the business of the borrower is held as security for the debt, the secured creditor is also empowered to take over the management of the entire business, including the right to transfer by way of lease, assignment or sale for realizing the secured asset. However, the term “substantial part of the business” has not been defined.
- The Recovery of Debts Due to Banks and Financial Institution Act 1993 (“**DRT Act**”) was amended to allow banks and financial institutions to withdraw a recovery application filed by them before the Debt Recovery Tribunal (“**DRT**”) should they propose to initiate action under the SARFAESI Act. However, a judgment issued by the Supreme Court of India on November 29, 2006, indicated that there are no legal impediments for taking simultaneous action under the DRT Act and the SARFAESI Act.
- Under the Amended Act, an aggrieved borrower can make an application to the DRT to stay action taken under the SARFAESI Act and the same is required to be decided within 60 days. Further an appeal can be filed against an order of the DRT before the Debt Recovery Appellate Tribunal (“**DRAT**”) after the borrower has deposited 50% of the amount of debt (such sum may be reduced to 25.0% of the debt by the DRAT for reasons to be recorded in writing).

Establishment of Asset Reconstruction Company

The SARFAESI Act provides the framework for setting up asset reconstruction companies in India. Accordingly, the Bank, together with other major Indian banks, has jointly promoted the Asset Reconstruction Company (India) Ltd. (“**ARCIL**”). ARCIL serves as the entity that acquires the NPAs of its parent banks at a mutually acceptable price against the issue of security receipts. ARCIL seeks to recover outstanding debts through restructuring, settlement or enforcement of security interests. ARCIL then uses amounts recovered to redeem the security receipts issued to certain qualified institutional investors. As of March 31, 2025, the Bank

owned 19.95% of the share capital of ARCIL. On July 13, 2005, the RBI issued guidelines on the sale and purchase of NPAs amongst banks, financial institutions and non-banking financial companies, namely, the Guidelines on purchase/sale of Non performing Assets. See “*Regulation and Supervision — The RBI and its Regulation — Regulations relating to Sale of Assets to Asset Reconstruction Companies*”. Pursuant to an amendment of these guidelines on October 4, 2007, RBI has stipulated that banks should calculate the net present value of the estimated cash flows associated with the realizable value of the available securities net of the cost of realization. As a result, the sale price of an NPA should generally not be lower than the net present value arrived at in the manner described above. The aforementioned guidelines were repealed by the Master Direction - Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 which maintains that net present value of the cash flows estimated while acquiring the loan is less than the consideration paid for acquiring the loan, provisions shall be maintained to the extent of the difference.

The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 (“**ESIRDA Act**”), which has been enacted by the Parliament and received Presidential assent on August 12, 2016, seeks to amend certain provisions of the Securitisation and Reconstruction of Financial Assets

- The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016, (the “**Bill**”) was introduced by the Minister of Finance, Mr. Arun Jaitley, in Lok Sabha on May 11, 2016. It seeks to amend four laws: (i) Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI), (ii) Recovery of Debts due to Banks and Financial Institutions Act, 1993 (RDBFI), (iii) Indian Stamp Act, 1899 and (iv) Depositories Act, 1996.
- Amendments to the SARFAESI Act: The SARFAESI Act allows secured creditors to take possession over a collateral, against which a loan had been provided, upon a default in repayment. This process is undertaken with the assistance of the District Magistrate and does not require the intervention of courts or tribunals. The Bill provides that this process will have to be completed within 30 days by the District Magistrate.
- In addition, the Bill empowers the District Magistrate to assist banks in taking over the management of a company, in case the company is unable to repay loans. This will be done in case the banks convert their outstanding debt into equity shares and consequently hold a stake of 51% or more in the company.
- The act creates a central registry to maintain records of transactions related to secured assets. The Bill creates a central database to integrate records of property registered under various registration systems with this central registry. This includes integration of registrations made under Companies Act, 2013, Registration Act, 1908 and Motor Vehicles Act, 1988.
- The Bill provides that secured creditors will not be able to take possession over the collateral unless it is registered with the central registry. Further, these creditors, after registration of security interest, will have priority over others in repayment of dues.
- The Act empowered the RBI to examine the statements and any information of Asset Reconstruction Companies related to their business. The Bill further empowers the RBI to carry out audit and inspection of these companies. The RBI may penalise a company if the company fails to comply with any directions issued by it.
- The Bill provides that stamp duty will not be charged on transactions undertaken for transfer of financial assets in favour of asset reconstruction companies. Financial assets include loans and collaterals.
- Amendments to the RDBFI Act: The RDBFI Act established Debt Recovery Tribunals and Debt Recovery Appellate Tribunals. The Bill increases the retirement age of Presiding Officers of Debt Recovery Tribunals from 62 years to 65 years. Further, it increases the retirement age of Chairpersons of Appellate

Tribunals from 65 years to 67 years. It also makes Presiding Officers and Chairpersons eligible for reappointment to their positions.

- The Act provides that banks and financial institutions will be required to file cases in tribunals having jurisdiction over the defendant's area of residence or business. The Bill allows banks to file cases in tribunals having jurisdiction over the area of bank branch where the debt is pending.
- The Bill provides that certain procedures under the Act will be undertaken in electronic form. These include presentation of claims by parties and summons issued by tribunals under the Act.
- The Bill provides further details of procedures that the tribunals will follow in case of debt recovery proceedings. This includes the requirement of applicants to specify the assets of the borrower, which have been collateralised. The Bill also prescribes time limits for the completion of some of these procedures.

Sale of Assets to Asset Reconstruction Companies, Banks, Financial Institutions and Non-Banking Financial Companies

The Bank periodically engages in sales of NPAs to reconstruction companies, banks, financial institutions and non-banking financial companies. The following table sets out the sales of NPAs by the Bank to reconstruction companies for the periods indicated:

As of March 31,	No. of NPAs sold	Total Outstanding Principal Amount	Consideration Received
		(Rs. In billions)	(Rs. In billions)
2022	14	16.57	6.27
2023	20	74.67	31.11
2024	12	45.57	13.97
2025	4	38.63	34.18

Funding and Liquidity

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 RBI and other financial institutions, foreign currency borrowings, profits from the purchase and sale of investments, and the public and private issuance of bonds. Deposits raised from the retail segment were 70.99%, 69.84% and 68.12% of total deposits as of March 31, 2023, 2024 and 2025 respectively.

Deposits and Borrowings

The following table sets out the Bank's principal sources of funding as a percentage of total funding sources as of the dates indicated.

	As of March 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(Rs. in millions, except %)					
Assets						
Deposits at branches in India	42,535,708	81.11	47,243,357	80.20	51,668,635	80.90

As of March 31,						
Assets	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
Deposits at branches outside India.....	1,702,070	3.25	1,917,411	3.25	2,153,261	3.37
Total deposits.....	44,237,778	84.35	49,160,768	83.45	53,821,895	84.27
Borrowings in India	2,223,287	4.24	2,887,348	4.90	1,888,550	2.96
Borrowings outside India.....	2,708,065	5.16	3,088,261	5.24	3,747,175	5.87
Total borrowings.....	4,931,352	9.40	5,975,609	10.14	5,635,725	8.82
Capital funds ⁽¹⁾	3,276,084	6.25	3,772,465	6.40	4,411,621	6.91
Total⁽²⁾.....	52,445,214	100.0	58,908,842	100.0	63,230,085	100.0

Notes:

(1) Capital funds comprise share capital, reserves and surplus.

(2) Total deposits, total borrowings and capital funds.

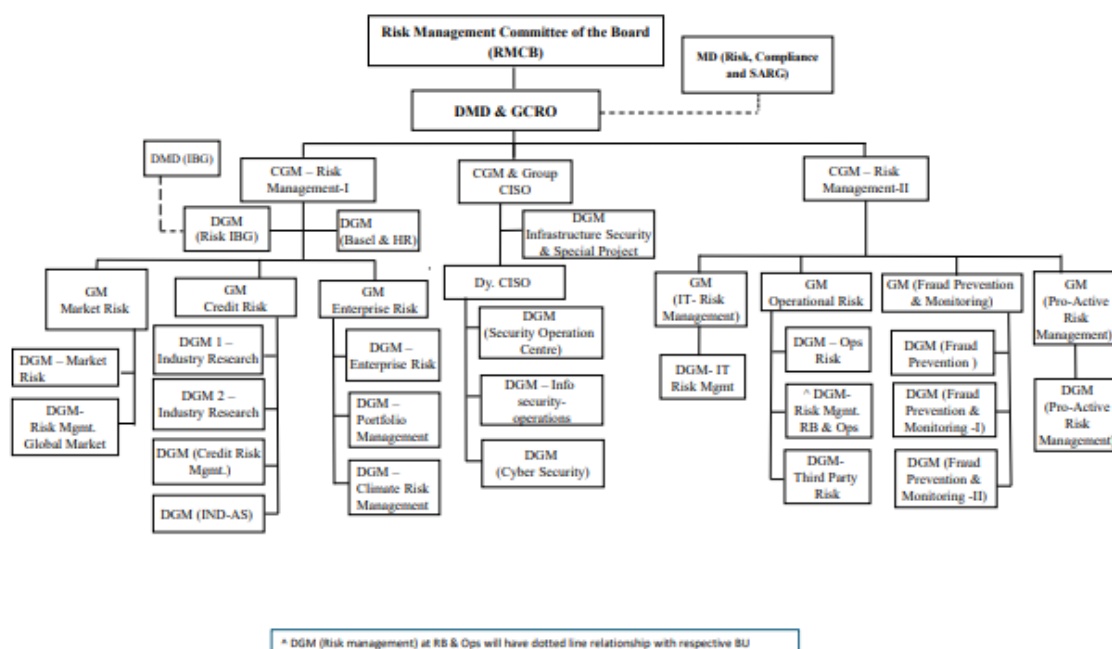
DESCRIPTION OF ASSETS AND LIABILITY MANAGEMENT OF THE ISSUER

The Bank is 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. The Bank has various policies and procedures in place to measure, manage and monitor these risks systematically across all its portfolios.

These policies are reviewed by the Board of Directors from time to time. The Board of Directors also reviews the progress in the implementation of risk management systems, asset liability management, risk-based supervision and a risk-based internal audit at quarterly intervals.

The Risk Management Committee of the Board (“**RMCB**”) oversees the policy and strategy for Bank/Group-wide risk management relating to various risk exposures of the Bank, including credit, market liquidity and operational risks.

The RMCB is supported by various risk committees, namely the Credit Risk Management Committee, the Asset Liability Management Committee (“**ALCO**”), the Market Risk Management Committee, the Operational Risk Management Committee and the Enterprise and Group Risk Management Committee. These committees are in place to address credit, market, liquidity, interest rate, operational risk and enterprise and group risk matters. Critical issues and developments in their respective areas are referred to these committees.



The Bank has a Deputy Managing Director as Chief Risk Officer who reports to the RMCB. The Credit Risk Management Department, the Market Risk Management Department, the Operational Risk Management Department, the Enterprise and Group Risk Management Department and the Basel Implementation Department all report to the CRO through the Chief General Manager (Risk Management). The Department of the Chief Information Security Officer reports directly to the CRO. These seven departments act independently and coordinate with the business units to implement risk management policies.

Risk Management Structure

The Bank has an independent risk management system, which the management believes is in line with international best practices, to address the risks faced in its banking activities, including liquidity, interest rate, market, credit and operational risks. As a financial institution, the Bank is exposed to various kinds of risk, in

particular liquidity risk (the possibility of not having the necessary funds to meet operational and debt servicing requirements), interest rate risk (the risk associated with movements in interest rates), credit risk (the potential for loss due to the failure of a counterparty or borrower to meet its financial obligations), market risk (the possibility that changes in interest rates, foreign exchange rates, prices of debt and equity securities and other financial contracts may have an adverse effect on the Bank's financial condition) and operational risk (risks arising from inadequate or failed operational processes, people and systems).

The risk philosophy of the Bank is guided by the twin objectives of enhancement of shareholder value and optimum allocation of capital. Risk management is perceived as essential to business growth and strategic business planning, achieved by constant monitoring of the interdependencies and interfaces across business functions.

The Bank's exposure norms are in line with the norms prescribed by the RBI for commercial banks and financial institutions as per the large exposure framework. According to these norms, the sum of all the exposure values of a bank to a single counterparty must not be higher than 20% of the bank's available eligible capital base at all times. In exceptional cases, the board of banks may allow an additional 5% exposure of the bank's available eligible capital base. Banks shall lay down a board approved policy in this regard. The sum of all the exposure values of a bank to a group of connected counterparties must not be higher than 25% of the bank's available eligible capital base at all times.

The Bank believes it has the policies and procedures in place to manage its risks and to anticipate future risk based on RBI guidelines and what management believes are international best practices. The primary responsibility for the management of risk rests with the Board, which has approved the policies and organizational structure for various risk management measures.

Credit Risk Management

The Bank is exposed to credit risk due to the possibility that a borrower or counterparty may fail to meet its obligations in accordance with agreed terms, principally the failure to make required payments on loans or other obligations due to the Bank. Credit risk management aims at building up sound asset quality and the long-term profitability of the institution. It involves activities such as risk identification, risk measurement, risk mitigation and risk-based pricing. For this purpose, the Bank has a policy on credit risk management, credit risk mitigation and collateral management which incorporates guidelines issued and observations made by the RBI. The Bank manages its portfolio of loan assets with a view to limiting concentrations in terms of risk quality, geography, industry, maturity and large exposure aggregates by providing a centralized focus to its credit portfolio and instituting a suitable mechanism for its management.

In addition to credit risk management, the internal audit system acts as a third line of defense as part of the overall risk management framework of the Bank. This is an integral part of the Bank's risk management system and helps identify early warning signals of potential problems.

Individuals	Maximum aggregate credit facilities (fund-based and non-fund based) of Rs. 500 million (other than against specified securities for which there is no restriction).
Non-corporate (partnerships, associations, etc.)	Maximum aggregate credit facilities (fund-based and non-fund-based) of Rs. 1 billion (other than against specified securities for which there is no restriction). The above ceiling will also be applicable to the aggregate of all facilities sanctioned to partnership firms which have identical partners.
Corporate	Maximum aggregate credit facilities in accordance with prudential norms of the RBI on exposures.

The Bank's current credit policy prescribes that the Bank's aggregate term loans with residual maturity of over three years should not in the aggregate exceed 40.0% of the total advances of the Bank. The Bank's policy is to restrict fund-based exposure to a particular industry to a maximum of 15.0% of the Bank's total domestic exposure. In addition, the Bank restricts term loan exposure to infrastructure projects to 30% of the Bank's total domestic advances.

The Bank's exposure to certain "**sensitive sectors**," including capital markets, real estate, and sensitive commodities (as prescribed by the RBI) are subject to the following limitations:

- *Real estate*: the Bank's exposure shall not exceed 33.0% of the Bank's total advances.
- *Sensitive commodities*: the Bank's exposure shall not exceed 5.0% of the Bank's net worth as of the end of the Bank's previous fiscal year.
- *Capital markets*: the Bank's exposure shall not exceed 40.0% of its net worth (as specified and defined by the RBI) as of the end of its previous fiscal year, as applied to both fund-based and non-fund-based exposure to all forms of capital markets products.

The Bank's major exposures to individual borrowers and borrower groups are consolidated and disclosed to the Board at their regular meetings. The Credit Risk Management Department conducts studies on various industries to examine the quantitative and qualitative measures that should be considered in regard to the handling of the Bank's current exposure to various industries. These studies are also meant to provide information to help the Bank determine the merits in taking on additional exposure to various industries.

The Bank has credit risk assessment models in place based on the activity of the borrower, including manufacturing, infrastructure projects, trade, non-banking financial companies, banks, qualified central counterparties and primary dealers. Although not currently required by the RBI, the Bank's risk assessment model for manufacturing entities complies with the advanced internal ratings-based approach.

The Asset Liability Management Committee

The Bank has an asset liability management policy which prescribes various prudential limits for liquidity risk and interest rate risk management. ALCO is responsible for managing liquidity and interest rate risk. To this end, ALCO manages and controls the structure of assets, liabilities and interest rate sensitivity with a view to maximizing profits. It also ensures capital adequacy and sufficient liquidity. The Bank has made significant efforts to improve its market risk management capabilities and fine-tune its management information systems, incorporating suggestions from the RBI, as well as from the Basel Committee on Banking Supervision. For example, pursuant to RBI policy guidance, the Bank prepares a structural liquidity statement and Liquidity Coverage Ratio ("**LCR**") on a daily basis for reporting to top management. It has also implemented the risk management module of the Oracle financial services analytical application, an asset liability management software solution for strengthening the risk management process.

Liquidity Risk Management

Liquidity risk comprises the risk of not being able to raise the necessary funds from the market to meet operational and debt servicing requirements. An important objective of the Bank's liquidity management is to maintain an optimal asset to liability maturity portfolio that minimizes liquidity risk while maximizing profit. The Bank ensures that proactive steps are taken to meet all impending liquidity requirements. Borrowing is also timed in consideration of overall market liquidity and not just requirements of funds. The Bank also maintains a reasonable level of investment in liquid securities which can be liquidated at short notice.

The Bank monitors its liquidity position through a structural liquidity gap analysis carried out on a daily basis in accordance with RBI guidelines on asset liability management. The liquidity position is also monitored

through a stock-based approach and presented to the top management on a daily basis while a review of the contingency funding plan is placed before ALCO at quarterly intervals. The LCR position of the Bank is being monitored on a daily basis with monthly reporting to the RBI/ALCO.

The Bank has an extensive branch network and therefore holds deposits from a large number of retail customers. These deposits provide a stable resource base. In addition, liquid assets in the form of cash, balances with other banks and short-term securities help to meet the liquidity requirements of the Bank.

The Bank has implemented the final guidelines of the RBI on liquidity risk management and the Basel III framework on liquidity standards.

Interest Rate Risk Management

Since the Bank's balance sheet consists predominantly of assets and liabilities denominated in Rupees, movements in domestic interest rates constitute the main source of interest rate risk. The Bank's portfolio of traded and other debt securities and its loan portfolio are impacted by movements in interest rates. Exposure to fluctuations in interest rates is measured primarily by way of a gap analysis, providing a static view of the maturity and re-pricing characteristics of the Bank's balance sheet positions. Interest rate gap reports in major currencies are prepared by classifying all assets and liabilities into various time period categories according to their contracted maturities or anticipated re-pricing dates. The difference in the amount of assets and liabilities maturing or being re-priced in any given time period gives the Bank an indication of the extent of exposure to the potential impact on re-priced assets and liabilities. The interest rate gap report is prepared monthly, in accordance with RBI requirements. In addition, exposure to interest rates is measured through a sensitivity analysis which examines the impact of interest rate movements on the Bank's financial condition. Further, a duration gap analysis is also prepared to measure the impact of interest rates on the Market Value Equity (MVE). The Bank uses MVE approach as part of a framework to manage Interest Rate Risk in Banking Book (IRRBB) for its domestic and foreign operations. Impact on MVE is assessed for the overall Bank and Banking Book separately.

Market Risk Management

Market risk refers to potential losses arising from volatility in interest rates, foreign exchange rates, equity prices and commodity prices. Market risk arises with respect to many types of financial instruments, including securities, foreign exchange contracts, equity instruments and derivative instruments, as well as balance sheet gaps. The objective of market risk management is to avoid excessive exposure of the Bank's earnings and equity to loss and to reduce the Bank's exposure to the volatility inherent in financial instruments.

Risk measurement and monitoring entails the valuation and marking-to-market of market risk exposures, updating rates and models used for valuations and preparing simulations showing the effects of possible changes in market conditions. Exposure to individual corporations is regulated by adequate thresholds determined by such models and simulations. Market risks relating to treasury operations are regularly and independently identified, measured, and monitored by the Market Risk Management Department, which is subject to a clear functional separation from the front office and back office.

The Bank deals in over-the-counter interest rate and currency derivatives as well as exchange-traded interest rate futures and currency futures. Interest rate derivatives offered by the Bank are Rupee interest rate swaps, foreign currency interest rate swaps and forward rate agreements.

Currency derivatives offered by the Bank include currency swaps, interest rate swaps, Rupee dollar options and cross-currency options. Derivatives are also used by the Bank for both trading hedging balance sheet items. Interest rate futures and currency futures are traded by the Bank through notified stock exchanges.

Derivative transactions carry market risk, such as the probable loss the Bank may incur as a result of adverse movements in interest rates or exchange rates and credit risk, or the probable loss the Bank may incur

if the counterparties fail to meet their obligations, as well as liquidity, legal and operational risk. These risks are managed under the Bank's risk management policy. The Bank's market risk limit policy is approved by the Board and prescribes market risk parameters such as loss limit, open position limit, Pv01 and modified duration etc. The Bank's derivative manual prescribes customer eligibility criteria, including credit ratings and lengths of relationship, among others, for entering into derivative transactions. Credit risk is managed by entering into derivative transactions only with counterparties satisfying the criteria prescribed in the policy. The Bank's policy provides guidance for the recording, amending and rollover of derivative deals, as well as customer appropriateness forms.

The Value at Risk ("VAR") framework is applied on an asset class basis, as well as on a diversified portfolio level. VAR is monitored daily and limits are reviewed and revised on an annual basis or earlier if market conditions warrant. The VAR model is validated daily by back testing. The VAR methodology used by the Bank is a historical simulation method using 250 days historical data, which are updated every day. The Bank calculates one day and 10-day VAR at a 99% confidence level. Market Risk Stress testing is conducted at quarterly intervals to evaluate the potential vulnerability of its portfolios to some unlikely but possible events or movements in financial variables such as interest rates, foreign exchange rates and equity prices.

Operational Risk Management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk but excludes strategic and reputational risk and it seeks to identify the cause of a loss. Operational risk has four principal causes: People, Process, Systems and External factors. For a discussion on the Bank's vulnerability to operational risk, see *"Investment Considerations — Risks Relating to the Bank's Business — Operational risks such as fraud and errors may have an adverse impact on the Bank's business."*

The operational risk management policy of the Bank establishes a risk framework that guides the Bank in the management of operational risk. Loss Data management policy of the Bank provides guidance related to allocation of capital for operational risk losses. This policy requires that all functional areas, departments and business units of the Bank identify, assess, measure, mitigate, monitor, control and report on their significant operational risks in a manner that is consistent across the Bank. This policy applies to all business and functional areas within the Bank. The Bank's operational risk management policy is supplemented by operational risk management framework ("ORMF"), systems, tools, procedures and guidelines, which are periodically updated by the Bank.

The objective of the Bank's operational risk management policy is to improve controls and to mitigate risks, improve capital management, create awareness of operational risk throughout the Bank, assign risk ownership, comply with regulations, improve the quality of products and services, and mitigate the impact and probability of loss in the face of any disruption to business processes.

The following measures are being used by the Bank to control and mitigate operational risks:

- continuous improvement of internal controls and systems based on Internal and External Loss Data and also the outcome of conduct of Risk and Control Self-Assessment exercises;
- analysis of loss data and Near Miss Events ("NMEs") for better risk management;
- monitoring key risk indicators;
- Scenario Analysis Workshops;
- training of staff personnel;
- Observance of Risk Awareness Day, monthly e-magazine on ORM, reach out initiative to strengthen Risk culture;

- reward systems on reporting of NMEs, resulting in prevention of losses to the Bank;
- placement and rotation of staff;
- monitoring and timely reporting of frauds;
- Whistle Blower Mechanism;
- Root Cause Analysis;
- External Loss Data Analysis;
- Insurance for transfer of risk: the Bank has a separate designated cell in Banking Operations Department (“**BOD**”) for insurance business;
- Business Continuity and Operational Resilience Planning and disaster recovery; and
- sensitivity analysis.

Operational Controls and Procedures in the Bank

The Bank has issued detailed procedural guidelines for processing various banking transactions. Guidelines and instructions are disseminated through SOPs, policies, e-circulars, and training programs. Amendments and modifications to these guidelines are implemented through e-circulars and policies.

The Bank has also issued necessary instructions throughout the Bank regarding the delegation of financial powers, which detail sanctioning powers at various levels of officials for different types of financial transactions.

A business continuity and Operational Resilience policy and manual has also been drawn up to take proactive measures to respond to business disruption and system failures and to ensure uninterrupted availability of key business processes that support critical banking functions.

The Bank’s Internal Audit Department (“**IAD**”) has Circle Audit Offices located throughout India. Internal Auditors periodically monitor adherence to controls and procedures and report deviations to facilitate corrective actions at all branches or centralized processing cells. Concurrent auditors are assigned to all large branches.

Further, remote application for dynamic assessment of risk (“**RADAR**”) is in place which is a system driven, continuous, centralized monitoring of auditee units based on remote evaluation of data points available in the source systems such as the core banking system, loan originating software and loan life cycle management system. Under RADAR, exceptions are identified based on missing data, outliers, inconsistent data and the exceptions are flagged as process control or compliance gaps to the auditee unit for rectification.

Compliance Testing of RADAR rectifications (“**CTRR**”) is being introduced to capture the instances related to compliances done in the source systems (CBS, LLMS etc.) without doing the actual compliances/ support documents/input documents or updating with congruent data.

Compliance Testing of Radar RADAR rectifications (“**CTRR**”) is to be carried out across all the branches. However, the audit universe is administratively treated as under:

Onsite Compliance Testing of RADAR rectifications (“**CTRR**”): for Branches which are covered under the annual audit plan.

A statutory audit is conducted by external auditors after the annual closing.

The Bank’s Internal Audit Department (“**IAD**”) has Circle Audit offices located throughout India. Inspection officials periodically monitor adherence to controls and procedures and report deviations to facilitate

corrective actions. Besides IAD officials, each Circle is assigned an internal audit team and concurrent auditors are assigned to all large branches. A statutory audit is conducted by external auditors after the annual closing.

Operational Controls and Procedures in Centralized Processing Cells

In an effort to improve customer service at all centers, the Bank has introduced central transaction processing. The centralized transaction processing cells process clearing cheques, make inter-city cheque collections and engage in back-office support for account opening, standing instructions, non-resident Indian services and automatic renewal of deposits.

Operational Systems and Controls in Treasury

Treasury's front office, back office and mid-office (market risk management department) are fully segregated. While the front office and the independent back offices report to the Head of Treasury, the Market Risk Management Department functions independently from Treasury and is under the control of the Chief Risk Officer. Mid-office prepares various reports to monitor the Bank's exposure against various limits such as stop-loss limits, counterparty limits and concentration risk limits.

The Bank's front office Treasury operations are integrated and comprise the Rupee desk, the foreign exchange desk and the derivatives desk. The front office is supported by treasury marketing units located in seven centers across the country. While the Rupee desk operations consist of fixed income securities, equities and inter-bank money markets, the foreign exchange desk operations consist of inter-bank, merchant and proprietary transactions. The derivatives operations include swaps, options and structured products. Dealers enter into trades with counterparties after analyzing market conditions and taking views on price movements. After completion of a deal, the deal then flows to the back office for validation, settlement and accounting.

The front office regularly discusses strategies on the basis of market forecasts, liquidity conditions and publicly available information. Trading is conducted in strict accordance with trading policies, a dealing manual and regulatory guidelines.

The Treasury back office undertakes settlement of securities and funds based on guidelines stipulated by the manual of operations. Procedures followed by the back office to minimize operational risks in Treasury include validation of deals entered into by the front office, deal confirmations with counterparties, the receipt and checking of broker contract notes, the monitoring of receipt and payments on due dates and monitoring of the transfer and receipt of securities into accounts where dematerialized securities are held, and the reconciliation of accounts.

The mid office employs various tools for monitoring market risk. These tools include: exposure limits, counterparty limits, overnight open position limits, gap limits, broker transaction limits, modified duration limits, management action triggers, stop loss triggers, limits on option greeks and VAR limits. The mid office marks to market various positions, and breaches, if any, are promptly reported. The Market Risk Management Department formulates various policies, such as investment policy, trading policy for government securities, corporate bond and equity policy, and policy for foreign exchange and derivatives. In addition, the Market Risk Management Department formulates the market risk management policy, VAR policy and stress test policy. VAR is monitored daily and compared against the limits. VAR is validated through back-testing on a daily basis.

Operational Controls and Procedures in Retail Asset Operations

The Bank's retail asset operations are spread out geographically across India and the Bank has centralized processing cells for retail assets in most cities across India. These centers carry out disbursement of approved credit facilities, accounting, reconciliation and repayment management activities for retail assets. All operational and other risks are identified, mitigators designed and measures of performance specified to ensure adherence. Internal auditors monitor adherence to controls and procedures and report deviations to facilitate corrective action.

Operational Controls and Procedures for Corporate Banking

The Bank's Corporate Accounts group, a strategic business group of the Corporate Banking Group, operates a central functioning office at Mumbai, as well as branches at Chennai and New Delhi. These offices are jointly responsible for operations relating to trade finance, cash management and other general banking operations. In addition, the Bank's Commercial Clients Group caters to the credit requirements of medium-sized corporations through its nine regional offices and 47 branches across India.

Operational Controls and Procedures for Rural Banking

All rural branches are fully computerized. Operational risks pertaining to rural and agricultural branches are identified, assessed, monitored, controlled and mitigated by the respective controlling offices. Risk and control self-assessment exercises are conducted at branch level for the purpose of identifying and assessing operational risks. The Bank's rural asset operations are spread across India. In addition to the respective controllers, officials from the Bank's Inspection and Audit and Circle Audit departments also visit all rural branches periodically to conduct detailed audits for monitoring adherence to controls and procedures, as well as to report irregularities within the branches. A statutory audit is also conducted at branch level after annual closing.

Anti-Money Laundering Measures adopted by the Bank

The Bank has established a policy implementing KYC standards and AML measures. Detailed procedural guidelines on KYC and AML measures have been issued to all branches and offices of the Bank, incorporating the following four key elements of the policy:

- the customer acceptance policy;
- customer identification procedures;
- the monitoring of transactions; and
- risk management.

The Bank has acquired and implemented an AML software solution, which is being used for transaction monitoring purposes. Cash transaction reports are generated through the software and suspicious transactions alerts are generated based on parameters and thresholds fixed by the Bank. Suspicious transactions alerts are then analyzed at KYC/AML cell for finalization and submission of suspicious transactions reports by the Principal Officer in appropriate cases. This solution enables automatic generation of alerts for the monitoring and reporting of suspicious transactions. KYC guidelines are covered as part of regular training programs for various staff categories by the Bank's training institutes. A list of terrorist organizations, periodically updated by the United Nations, is circulated to all branches of the Bank. The Bank closely monitors the implementation of the KYC guidelines and AML procedures through a system of education and monitoring by utilizing various training forums, as well as an inspection and audit process.

Country Risk and Bank Exposure

The Bank has a country risk management policy in accordance with RBI guidelines, as well as a Board approved bank exposure model for foreign banks and non-banking financial intermediaries. These policies outline robust risk management models with prescriptions for country, bank, product and counterparty exposure limits. Considering the global economic turmoil, both country and bank exposure limits are monitored and reviewed on a regular basis. The exposure ceilings and classifications are moderated in line with the dynamics of their risk profiles. Corrective steps are periodically initiated to safeguard the Bank's interests.

Group Risk Management

The Group is recognized as a major financial conglomerate and as a systemically important financial intermediary, with a significant presence in various financial markets. Accordingly, it is imperative, both from

a regulatory perspective, as well as from the Group's own internal control and risk management perspective, to oversee the functioning of individual entities within the Group and periodically assess the Group's overall risk level. This oversight allows for optimal utilization of capital resources and the adoption of a uniform set of risk practices across the Group.

The Group's risk management policy was formed with a view to effectively monitor risk management practices amongst all Group entities using a common brand name and logo where the Bank holds an equity share of 20% or more and exercises control over management. It aims to put in place standardized risk management processes across the Group, so as to provide an integrated view of the range of risks the Group faces and to use risk-taking as a strategic means to strengthen competitive position and create value.

The Group's risk management policy applies to all banking and non-banking subsidiaries and joint ventures of the Group under the jurisdiction of specified regulators but excludes regional rural banks, non-financial entities and special purpose vehicles. These entities must also comply with relevant accounting standards. Currently, the Group includes the Bank, Overseas Banking Subsidiaries and domestic Non-Banking Entities which are engaged in merchant banking, asset management, life insurance, general insurance, factoring, credit cards, pension funds, primary dealership, payment services and custodial services.

In order to allow entities within the Group to assess their material risks and the adequacy of their risk management processes and capital, all Group entities, including non-banking subsidiaries, are encouraged to align their policies and operations with the Group and in accordance with Basel prescriptions and international best practices. Further, an Enterprise and Group Risk Management Committee has also been constituted to oversee matters relating to Group risk, ensuring periodic reviews of risk policy and compliance.

The Enterprise and Group Risk Management Department supports the Enterprise and Group Risk Management Committee by periodically assessing and reporting the overall level of risk in the Group.

As part of the supervisory review and evaluation process, a Group Internal Capital Adequacy Assessment Process ("ICAAP") report for the Group is prepared annually and approved by Bank's Board. The report includes identification, measurement and management of all risks faced by the Group, including risk mitigation and control measures, an evaluation of the adequacy of risk management practices in all Group entities covered under the Group's ICAAP policy, stress-testing, and identifying additional capital requirements for the identified risks. The document is prepared on the basis of the standalone ICAAP documents of Group entities. The document is part of the Bank's compliance with RBI Guidelines on Basel III framework (the "**Framework**"). See "*Regulation and Supervision — The RBI and its Regulations — Capital adequacy requirements.*"

Enterprise Risk Management

An ICAAP Document at standalone level is prepared annually as part of Group ICAAP Document and approved by the Bank's Board. In addition to the three Pillar I Risks, the Bank under the ICAAP covers the identification and assessment of Pillar 2 Risks, such as liquidity risk, interest rate risk in the banking book, credit concentration risk, reputation risk, strategic risk, model risk, compliance risk, pension fund obligation risk and contagion risk, among others.

Credit Management Policies and Procedures

Credit Policy and Procedures Committee

The Credit Policy and Procedures Committee is headed by the Chairman of the Bank and tasked with handling issues relating to credit policies and procedures and to analyze, manage and control credit risk on a Bank-wide basis. The CPPC formulates clear policies on standards for the presentation of credit proposals, financial covenants, rating standards and benchmarks, delegations of credit approving powers, prudential limits on large credit exposures, asset concentrations, standards for loan collateral, portfolio management, loan review

mechanisms, risk concentrations, risk monitoring and evaluation, pricing of loans, provisioning and regulatory and legal compliance.

The Bank's credit risk management process is articulated in its credit policy, which is approved by the Board. The credit policy recognizes the need for measures aimed at better risk management and avoidance of a concentration of credit risks. With this objective, limits have been prescribed for the Bank's exposure to any single borrower, group of borrowers or specific industries or sectors.

The credit policy embodies the Bank's approach to sanctioning, managing and monitoring credit risk and aims at making the systems and controls effective. It is guided by the best practices of commercial prudence, high standards of ethical norms and the requirement for national priorities. It also aims at striking a measured balance between underwriting assets of high quality and customer-oriented selling.

Accordingly, the credit policy sets out guidelines on the following aspects, in accordance with RBI and Government directives:

- exposure levels for industries, sectors and credit facilities;
- credit appraisal standards;
- documentation standards;
- pricing policy;
- review, renewal and takeover of advances;
- credit monitoring and supervision;
- credit risk assessment;
- NPA management;
- export credit; and
- the approach to lending to priority sectors and the services sector.

All revisions in policies and procedures are carried out with the approval of the CPPC and the Board.

Credit Approval and Monitoring

The Bank's credit approval process involves multiple levels of loan approval authority, depending on the loan amount and other factors such as the nature of the credit, the conditions of the transaction and whether or not the loan is secured.

At each level of authority, loan applications are reviewed on the basis of the feasibility of the project from a technical, financial and economic point of view, and to ensure that the loan application falls within the realm of fair banking risk. In conducting such a review, the following factors are considered: the borrower's profile, management structure, past financial performance and credit ratings, the Bank's exposure to the company, industrial group and/or industry in light of prudential exposure norms, industry outlook and financial projections for the borrower company and/or project. In the case of overseas financing, appraisals also include an assessment of the overseas venture in terms of commercial risk, political risk, country risk, and currency risk, an assessment of the relevant international market, an analysis of the benefits from the overseas venture likely to accrue to the Indian promoter, and compliance with regulatory guidelines. The Bank may also conduct a sensitivity analysis which includes variables such as debt servicing ratios and internal rates of return, and a study of the likely impact of changes in, among other things, price/unit costs.

The Bank has a system of delegation of financial powers, approved by the Board of the Bank, to sanction/ approve credit facilities, which sets out loan amounts that can be sanctioned by various functionaries or credit committees.

The Bank disburses funds to a borrower in strict compliance with the terms of the sanction, after all necessary documentation has been executed. Specific approval is sought from the original sanctioning authority, or as delegated in accordance with the policy approved by the ECCB or the CPPC in the case of any deviation from the terms of the sanction.

Examples of the types of procedures in place for various finance divisions include:

Corporate Finance Procedures

As part of its corporate loan approval procedures, the Bank carries out a detailed analysis of an applicant's funding requirements, including normal capital expenditure, working capital requirements and liquidity. The Bank's corporate term loans are generally available for periods of three to 10 years. The Bank's corporate term loans may carry fixed or floating rates befitting the requirements of the client and the risk profile. The repayment plan is generally linked to the cash flow of the company. The Bank's credit analysts gauge the applicant's particular funding requirements and evaluate the company's creditworthiness, factoring in the cash flows generated by it. Approved facilities will lapse within six months of the date of approval, unless they are used within that time.

Retail Loan Procedures

The Bank's retail loan customers are typically middle- or high-income, salaried or self-employed individuals. The Bank's retail credit product operations are sub-divided into various product lines. Each product line is further sub-divided into separate sales, marketing and credit groups. The Bank has an established process for giving and collecting retail credits. In most cases, the Bank requires a contribution from the borrower and the loans are secured by the asset financed.

Working Capital Finance Procedures

The Bank carries out a detailed analysis of its borrowers' working capital requirements. The Bank's dedicated credit team has a deep understanding of the intricacies of various industries and is experienced in evaluating the business potential of companies. The credit team assesses the customer's specific credit requirements and customizes financial solutions to suit the business requirements of the customer and its risk profile. Working capital finance limits are normally valid for one year and repayable on demand. Approved facilities will lapse within three months of the date of approval unless they are used within that time.

Project Finance and Leasing Procedures

The Bank believes it has a strong framework for the appraisal and execution of project finance proposals and that the Framework allows for risk identification, allocation and mitigation, and helps minimize residual risk. The Bank has formed a dedicated Project Finance unit to assess credit proposals and extend term loans for large industrial and infrastructure projects. Apart from this, project term loans for medium sized projects and smaller clients are delivered through the Corporate Banking Group, Commercial Clients Group and the National Banking Group. The loans are approved on the basis of an in-house appraisal of the cost and viability of the venture, as well as the credit standing of promoters. Project finance is typically structured as long-term loans. Maturity periods and repayment modes are structured in line with the specific aspects of each project and industry, factoring in a time frame for the venture to generate a stable revenue stream.

Revamping of Corporate Credit Structure and Systems

The Bank has recently revamped its corporate credit structure and systems. The major changes made in the revamping are:

- The Risk Management framework has been strengthened with creation of a Credit Review Department (“**CRD**”) for giving risk clearance to the proposal independent of Assessment and Sanction Process. The CRD undertakes independent evaluation of credit proposals based on sectoral risks, company risk and credit policy guidelines. The Bank has therefore shifted from Independent Risk Advisory to Risk Clearance.
- Optimization of network of commercial banking branches to consolidate coverage of highest priority individual/ group relationships across a dedicated set of five specialized CAG branches and the remaining corporate clients (other than CAG clients) in 50 CCG branches.

Internal Audit

The Bank has internal control systems with well-defined responsibilities at each level. It conducts internal audits through its IAD. The Audit Committee of the Board (“**ACB**”) exercises supervision and control over the functioning of the IAD. Internal Audit function provides an independent assurance to the Board and Senior Management on the quality & effectiveness of the Bank’s internal controls, risk management and governance of systems and processes. In doing so, the audit function helps in reducing the risk of financial loss and reputational damage to the Bank. It is, therefore, an indispensable and an integral function for the safe and sound operation of a Bank. Audit system in the Bank is a conglomeration of diverse audit streams, each taking care of various audit segments like RFIA of Branches/CPCs, Credit Audit, Legal audit, Early Review of Sanctions (ERS), FEMA Audit, Concurrent Audit, Foreign Office Audit, RFIA of Corporate Centre Departments, Management Audit, Information Systems Audit including audit of outsourced IT activities & Information Systems Concurrent Audit, Cyber Security Audit, Expenditure Voucher Audit, Audit of Outsourced Activities (Non-IT), etc. covering the entire audit universe with distinct features and priorities, which assist the Bank’s Management at various levels in monitoring the quality and effectiveness of internal controls and risk management. With effect from FY 2024-25, all the branches due for RFIA will be subjected to Compliance Testing of RADAR Rectifications (“**CTRR**”).

IAD would periodically subject branches in a Circle, selectively, to a Compliance Audit to verify the correctness or otherwise of the Compliance Remarks submitted by branches and endorsed by the Controllers excluding the compliances tested through EBCT.

Risk Focused Internal Audits

Internal Audit Department critically reviews adherence to Bank’s instructions at the units under audit through RFIA in accordance with RBI directives on risk-based supervision.

IAD undertakes a critical review of the entire operations of audited units through RFIA, which is an adjunct to risk-based supervision according to the RBI directives. The audits of branches and BPR entities are conducted at intervals approved by ACB in conformity with the directives of RBI. During fiscal year 2025, the IAD audited 14,162 domestic branches and BPR entities.

Off-Site Audits

Remote Application for Dynamic Assessment of Risk (“**RADAR**”) is a system-driven, continuous and centralized monitoring system of auditee units based on remote evaluation of data obtained from the source systems. Under RADAR, it identifies exceptions based on missing data, outliers, inconsistent data and flags these exceptions as process control/compliance gaps to the auditee unit. A score is awarded based on the percentage of deviations for every value statement under Credit Risk Management (“**CRM**”) and Operational Risk Management (“**ORM**”) and the same is integrated into onsite audit scores.

An outlier model is developed for risk profiling of the branches on an ongoing basis primarily to identify the branches showing lower degree of control (indicated by a higher outlier audit score) for prioritization of audit. Branches indicating low “Control Risk” are considered for Trigger Based Offsite Audit with provision

for onsite audit after a longer period approved by ACB or on deterioration in outlier status, whichever is earlier. During fiscal year 2025, the IAD conducted 2,670 Trigger Based Offsite Audits.

Management Audits

Management Audits are carried out to assess the effectiveness of control and governance process at an apex level, in accomplishing overall corporate objectives. Such audits provide quality feedback to the Board of the Bank and the Bank's Top Management concerning the quality of management performed at the auditee units, based on the managerial functions.

Management Audits cover each circle's Local Head Offices (including AOs/RBOs), Commercial Clients Group Regional Offices ("**CCGROs**") and Regional Rural Banks ("**RRBs**") sponsored by the Bank.

The periodicity for conduct of the Management Audit will be determined by the strategic and business importance, change in regulatory, legal requirements, risk perception and within two years of the date of last Management Audit. In respect of new entities, the first Management Audit is conducted after a minimum of one year of existence and not later than two years. Management Audit of LHOs/ CCGROs/RRBs will be advanced and conducted within 15 months from the date of previous Management Audit if the rating of any LHO/CCGRO/RRB falls by 2 notches below its previous rating or if any LHO/ CCGRO/RRB is rated 'B' or 'C'. RRBs may be subjected to Management Audit within one year of the date of the last Management Audit Report based on recommendations from the Associates and Subsidiaries Department.

RFIA of Corporate Centre Departments

RFIA of Corporate Centre Departments is in line with RBI-RBS requirements to strengthen the overall audit oversight at the macro level of the Bank's organization. From FY 2024-25, RFIA of Corporate Centre Departments/BUs having direct responsibility of Risk Management and Regulatory/Statutory compliance on the observations made by RBI in their annual financial inspection on the aggregate risk, processes, etc. is undertaken.

During FY 2024-25, RFIA of 24 Corporate Centre Departments/BUs and 14 Validation Audits and 14 other audits have been carried out.

Credit Audits

The credit auditing system aims at achieving continuous improvement in the quality of the commercial credit portfolio of the Bank through critically examining individual large commercial loans with aggregate credit exposures of above Rs. 200 million. The credit audit system also provides feedback to the business unit by way of warning signals about the quality of advance portfolio in the unit and suggests remedial measures. During fiscal year 2025, 9,539 accounts were subjected to credit audit.

Information System Audits and cyber security audit

The Information Systems Audit ("**IS Audit**") evaluates IT risks and adequacy of related controls in the Bank. IS Audit covers all Information Systems assets deployed in the Bank. All of the Bank's branches are subject to IS Audit to assess the IT-related risks as part of RFIA of the relevant branch. IS Audit of Centralized IT Applications, Corporate Centre and Local Head Office establishments is carried out separately by an in-house team of qualified officials.

339 IS Audits of applications were conducted during FY 2024-2026, comprising GITC departments, Corporate Centre Establishments and Circles.

Cyber Security Audits

Cyber Security Audit was conducted twice during FY 2024-25, once in Q1 by external firm covering 118 Applications and IT Infrastructure covering 27 GITC Departments. Second Cyber Security Audit was

conducted by Bank's Internal Auditors for 160 Applications and IT Infrastructure covering 32 GITC departments. Cyber Security Audit Universe focuses on Network architecture, internet facing applications, operations of Security Operation Centre (SOC) and Cyber Security wing of Information Security Department (ISD) of Bank.

Information System Concurrent Audit ("ISCA")

ISCA is being conducted on a monthly basis covering 28 GITC Departments covering 86 applications.

Foreign Offices Audits

Foreign Offices are subjected to Home Office Audit and Management Audit, in addition to Internal Audit conducted by reputed Internal Audit Firms and Local Based Officers locally at the respective centres under the oversight of Internal Audit Department. Additionally, oversight of Foreign Offices is ensured through Offsite Credit Audit, Early Review of Sanctions and Concurrent Audit at four central treasuries and IBU Gift City, Gandhinagar on an ongoing basis as per the approved periodicity.

Concurrent Auditing System

Internal Audit department ("IAD") undertakes audit of financial and Non-IT-related activities which have been outsourced at Corporate Centre, Business Groups and Local Head Offices and provide reasonable assurance to the senior management and the Board of the Bank that adequate systems and procedures are in place to mitigate legal, financial and reputational risks that may arise on account of the outsourcing of certain activities. During FY 2024-25, IAD has conducted audit for 1,486 vendors of Non-IT Outsourced Activities other than CSPs and 49,184 audits for Customer service points (CSPs).

Additionally, branches not forming part of the concurrent audit on account of the Risk Based Universe or RBI's Rule Based Universe may be brought under the ambit of the concurrent audit subject to the branch having net advances exposure beyond a predefined level and shall be categorized as SBI's Rule Based Universe.

Concurrent audit is carried out based on system driven solution, with external auditors (chartered accountant firms/and the Bank's retired officers) appointed as concurrent auditors and internal staff at certain centers.

Early Review of Sanction ("ERS")

ERS covers pre-sanction and sanction processes for all Large Loan accounts (exposure more than Rs. 200 million) and on sample basis on Small Loan accounts (exposure above Rs. 5 million and up to Rs. 200 million) in domestic operations. ERS review for IBG loans covers exposure of USD 1 mio and above. Sampling norms for Small Loans including BRE Loans having Exposure of more than Rs. 5 million up to Rs. 200 million are as below:

Particulars of sanctioned proposals	Exposure > Rs 10 million up to & inclusive of Rs 50 million (including BRE Loans)		Exposure > Rs 50 million up to & inclusive of Rs 200 million		BRE Loans with Exposure more than Rs. 5 million and up to Rs. 10 million
Rating Band	SB / CUE / BRE 1-9	SB / CUE 10 and worse & BRE 10	SB / CUE 1-9	SB / CUE 10 and worse	BRE 1-10
New / Takeovers	All Accounts	All Accounts	All Accounts	All Accounts	All Accounts

Particulars of sanctioned proposals	Exposure > Rs 10 million up to & inclusive of Rs 50 million (including BRE Loans)		Exposure > Rs 50 million up to & inclusive of Rs 200 million		BRE Loans with Exposure more than Rs. 5 million and up to Rs. 10 million
Enhancements / Reductions / Renewal at Same level	20% of the accounts	All Accounts	All Accounts	All Accounts	NA

ERS is carried out within a period of three to six months from the date of sanction, in line with RBI Guidelines. During FY 2024-2025, ERS of 30,798 loan accounts were carried out.

Offsite Transaction Monitoring System (“OTMS”)

For off-site surveillance of transactions passing through the Bank’s CBS system, scenario-based alerts are generated and flagged to the business units for corrective actions. Presently, there are 61 types of scenarios embedded in the system against which the transactions are scrubbed at regular periods, wherein inconsistent transactions are flagged by the system for affirmation of the related compliances. The scenarios are periodically reviewed and enlarged, depending upon the need and certain triggers.

Legal Audits

Legal Audit in the Bank covers scrutiny of the loan and security related documents of loans amounting to Rs. 50 million and above. The legal audit is a control function, carried out through a panel of advocates in addition to the scrutiny by the in-house team of internal auditors, to ensure that there are no shortcomings in the documents or creation of security in favor of the Bank. During FY 2024-2025, legal audit was carried out for 9,167 accounts.

Outsourced Activities Audits

Internal Audit department (“IAD”) undertakes audit of financial and Non-IT-related activities which have been outsourced at Corporate Centre, Business Groups and Local Head Offices and provide reasonable assurance to the senior management and the Board of the Bank that adequate systems and procedures are in place to mitigate legal, financial and reputational risks that may arise on account of the outsourcing of certain activities. During FY 2024-25, IAD has conducted audit for 1,486 vendors of Non-IT Outsourced Activities other than CSPs and 49,184 audits for Customer service points (CSPs).

Enforcement of Security Interests

The SARFAESI Act

See “Description of Assets and Liabilities of the Bank — Credit Management Policies and Procedures — Enforcement of Security Interests under the SARFAESI Act.”

To assist banks and financial institutions in recovering their unpaid advances and to ensure financial discipline among borrowers, the Government enacted the SARFAESI Act in December 2002. The SARFAESI Act provides the legal framework for: (i) the securitization of financial assets by setting up a securitization company or a reconstruction company; (ii) the foreclosure of assets through a securitization company or a reconstruction company; and (iii) the foreclosure of NPA accounts.

The Bank has been applying all available methods for the recovery of unpaid advances, including reporting the name of willful defaulters to the RBI together with commencing the necessary steps for recovery.

The Bank has also initiated one-time settlement measures to recover unpaid loans in terms of RBI's Framework for Compromise Settlements and Technical Write-offs dated June 8, 2023.

Insolvency and Bankruptcy Code 2016

The Insolvency and Bankruptcy Code, 2016 (the “**Code**”) enacted on May 28, 2016, is the new bankruptcy law of India and is a consolidation of the existing framework on insolvency and bankruptcy law in India. The Code outlines separate insolvency resolution processes for individuals, companies and partnership firms. Presently, only the insolvency resolution process for corporate persons has been made effective.

Under the Corporate Insolvency Resolution Process, either the debtor or the creditors can initiate resolution. CIRP under the Code enables a time bound and efficient mechanism for insolvency resolution in a market-oriented process, wherein the commercial decisions are taken by Committee of Creditors based on their share in the total debt owed by the corporate. Being a time bound process, the resolution process is to be completed in 180 days, with further extension by 90 days, if 66% of the creditors agree.

There is also provision for Fast Track Process applicable to start-ups (other than partnership firms), small companies and other companies (with assets less than Rs. 10.0 million), wherein resolution process is required to be completed within 90 days of initiation of request which may be extended by 45 days.

The Code seeks to be an effective tool for lenders in India. The Bank has filed cases for resolution in case of long standing NPAs as per directions of RBI. In addition, there are cases filed by other creditors/operational creditors, where the Bank has been filing its claims under CIRP.

Establishment of Asset Reconstruction Company

The SARFAESI Act provides the framework for setting up asset reconstruction companies in India. Accordingly, the Bank, together with other major Indian banks, has jointly promoted the ARCIL. ARCIL serves as the entity that acquires the NPAs of its parent banks at a mutually acceptable price against the issue of security receipts. ARCIL seeks to recover outstanding debts through restructuring, settlement or enforcement of security interests. ARCIL then uses amounts recovered to redeem the security receipts issued to certain qualified institutional investors.

In July 2005, the RBI issued guidelines on the sale and purchase of NPAs amongst banks, financial institutions and non-banking financial companies. For further details, see “*Regulations and Supervision — Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances*”. Pursuant to an amendment of these guidelines on October 4, 2007, the RBI has stipulated that banks should calculate the net present value of the estimated cash flows associated with the realizable value of the available securities net of the cost of realization. As a result, the sale price of an NPA should generally not be lower than the net present value arrived at in the manner described above. The aforementioned guidelines were repealed by the Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 which maintains that net present value of the cash flows estimated while acquiring the loan is less than the consideration paid for acquiring the loan, provisions shall be maintained to the extent of the difference.

The Bank also periodically engages in sales of NPAs to reconstruction companies, banks, financial institutions and non-banking financial companies.

The following table sets out the sales of NPAs by the Bank to reconstruction companies for the periods indicated:

Year ended March 31,	No. of NPAs sold	Total Outstanding Principal Amount (Rs. in billions)	Consideration Received (Rs. in billions)
2022.....	14	16.57	6.27
2023.....	20	74.67	31.11
2024.....	12	45.57	13.97
2025.....	04	38.63	34.18

Risk Management in Banking Subsidiaries

The Bank's banking subsidiaries have implemented various risk management policies which are in line with the Bank's policies to identify, assess, monitor, control and mitigate risks coming under the broad categories of credit risk, liquidity risk, interest rate risk, market risk and operational risk. As is the case with the Bank, the banking subsidiaries have also put in place various risk management committees to monitor existing risks and mitigation thereof, apart from identification of emerging risks.

DESCRIPTION OF THE BANK'S GIFT CITY BRANCH

Background

The IFSC GIFT City Branch of the Bank in India is situated in an emerging global financial and IT services hub, a first of its kind in India, designed to be at or above par with globally benchmarked business districts and supported by state-of-the-art infrastructure encompassing all basic urban infrastructure elements. Companies from financial services, technology and all major services sectors are occupants within the city. The IFSC GIFT City Branch set up provides unique opportunities to companies to realign / shift their international business, as well as skill set to the IFSC Banking Unit, GIFT City Branch on account of the Indian government's thrust, tax incentives, low operational cost and many other advantages.

The Bank believes that GIFT IFSC is emerging as one of the world's key financial centers and the Bank is contemplating to make its IFSC GIFT City Branch as its hub for India based/related assets, derivatives, and a large portion of its overseas treasury activities. The IFSC GIFT City Branch is considered to be one of the Bank's key branches on account of its strategic location, business profile, unique set up, easy accessibility and ease of doing business besides tax incentives & low operational cost. The Bank's management's thrust has reflected in augmented balance sheet and profits growth of the IFSC GIFT City Branch.

Key Objectives of the GIFT City Branch:

- raising resources through customer deposits/ certificate of deposits;
- arranging syndicated loans and guarantees for Indian corporates and participating in syndicated facilities in the primary and secondary markets;
- investing in debt securities in the primary and secondary markets;
- financing trade with a focus on India-based clients;
- providing remittance facilities;
- serving as a hub for centralized treasury operations to support the funding requirements of the Bank's branches in the Asia Pacific region (excluding India).

The Bank's GIFT City Operations

The IFSC GIFT City Branch's operations are governed by the corporate policies of the Bank's corporate center in India. The IFSC GIFT City Branch is subject to the regulations and directives of the RBI as applicable to overseas branches on Indian banks, including without limitation, the International Financial Services Centres Authority (Banking) Regulations, 2020 notified by the International Financial Services Centres Authority ("IFSCA").

The following activities of the IFSC GIFT City Branch are regulated by the IFSCA, GIFT City, Gandhinagar, India:

- accepting deposits;
- dealing in investments as a principal;
- providing syndication, bilateral and/or club loans;
- trading in the foreign exchange markets;
- arranging bilateral loans (medium and long term);
- remittances in almost all major currencies; and
- trading cum clearing member at India International Bullion Exchange in GIFT SEZ.

Since commencement of its operations, the IFSC GIFT City Branch has achieved strong financial strength, satisfactory asset quality, comfortable liquidity ratios and has recorded profit and high-quality earnings. In addition, the IFSC GIFT City Branch continues to receive strong support from and oversight by the head office of the Bank.

The IFSC GIFT City Branch intends to continue to focus on its key objectives as discussed above along with product delivery channels. Its core banking and treasury solutions are consistent with the world's leading systems. With various technology initiatives and new products, the IFSC GIFT City Branch expects to further strengthen its already strong relationship with the Indian and India related clients in overseas countries with a focus on improved profitability and qualitative growth of its balance sheet.

DESCRIPTION OF THE BANK'S HONG KONG BRANCH

Background

The Bank believes that Hong Kong is one of the world's key financial centers and the Bank has identified and made this center as its hub for the entire Asia Pacific region (excluding India). Hong Kong is the hub for India — China trade and is an important business intermediary for access to the large Chinese market. The Hong Kong Branch is considered to be one of the Bank's key branches on account of its strategic location, business profile and links to China.

Key Objectives of the Hong Kong Branch:

The key objectives of Hong Kong Branch are:

- Arranging syndicated loans for local and Indian corporates and participating in syndicated facilities in the primary and secondary markets.
- Investing in debt securities in the primary and secondary markets.
- Financing trade with a focus on India-based clients.
- Raising resources through customer deposits and money market operations.
- Providing remittance facilities to India and other centers.
- Serving as a hub for centralized treasury operations to support the funding requirements of the Bank's branches in the Asia Pacific region (excluding India).

The Bank's Hong Kong Operations

The Hong Kong operations of the Bank consist of a branch in Hong Kong and is governed by the corporate policies of the Bank's corporate center in India.

The operations of the Bank in Hong Kong are regulated by the Hong Kong Monetary Authority. SBI Hong Kong is an "Authorized Institution" and is involved in the following regulated activities:

- Accepting Deposits.
- Dealing in investments as a principal.
- Providing syndicated/bilateral/club loans.
- Trading in the foreign exchange markets.
- Arranging bilateral loans (medium and long term).
- Remittances in almost all major currencies; and
- Providing Nostro account services to several banks.

As of the date of this Offering Circular, the Hong Kong Branch is in full compliance with the Hong Kong Monetary Authority requirements relating to liquidity. The Hong Kong Branch is also subject to the regulations and directives of the RBI as applicable to overseas branches of Indian banks.

The Hong Kong Branch intends to continue to focus on its key objectives as discussed above along with product delivery channels including internet banking. The Core Banking and treasury solutions at the foreign offices of the Bank are consistent with the world's leading systems. With various technology initiatives and new

products, the Hong Kong Branch expects to further strengthen its already strong relationship with the local and Indian communities in Hong Kong and in neighbouring countries with a focus on improved profitability and qualitative growth of its balance sheet.

DESCRIPTION OF THE BANK'S LONDON MAIN BRANCH

Background

The Bank believes that London is a key international financial center, acting as a global leader in Eurobond and foreign exchange trading. London offers transparent and highly liquid markets, access to a large pool of global capital and technologically advanced trading systems.

The United Kingdom is an important trade partner for India, in part due to its significant Indian population. The Bank regards the London Main Branch as one of its most important foreign offices on account of its strategic location, business profile and past experience.

Key Objectives of the London Main Branch

The key objectives of the London Main Branch are:

- Raising resources through customer deposits and other modes which include, among others, bankers' acceptances financing and repos.
- Participating in bilateral and syndicated loans and arranging guarantees, for Indian and overseas corporates and participating in syndicated facilities in the primary and secondary markets.
- Investing in debt securities in the primary and secondary markets.
- Trade financing with a focus on India-related businesses.
- Serving as a hub for centralized treasury operations to support the funding requirements of the Bank's branches in Europe as well as providing treasury services to other offices.

The Bank's London Main Branch Operations

The London Main Branch predominantly undertakes Wholesale Banking activities as mentioned above. London Main Branch is governed by the corporate policies of the Bank issued from the Bank's Corporate Center in India and is regulated by the U.K. Prudential Regulation Authority and Financial Conduct Authority. In addition to unregulated activities, the permission granted by the PRA under the Financial Services Markets Act 2000 allows the following regulated activities:

- Accepting deposits;
- Arranging the safeguarding and administration of assets (permission to hold and/or control customer deposits and client money); and
- Dealing in investments as agent and as principal.

As of the date of this Offering Circular, the London Main Branch was in compliance with the PRA requirements relating to liquidity maintenance as well as home country exposure limits.

The London Main Branch is also subject to the regulations and directives of the RBI as applicable to overseas branches of Indian banks.

The London Main Branch intends to continue to focus on its key objectives as discussed above. IT systems at the branch are being continuously enhanced and upgraded. With various technology initiatives and new products, the London Main Branch expects to further strengthen its already strong relationship with the Indian community.

DESCRIPTION OF THE BANK'S SYDNEY BRANCH

Background

The Bank started its operations in Sydney on November 23, 1998 by opening a representative office. The representative office was subsequently transformed into an operational branch (the “**Sydney Branch**”) on April 21, 2004.

The Sydney Branch, among others, was opened with the objective of fostering closer trade relations between India and Australia and to help Indian corporates access the financial market in Australia. The Sydney Branch has now expanded its reach to local businesses and India-based clients. Other than fostering close trade relations, the Sydney Branch of the Bank, also provides its customers with corporate finance, syndicated loans and remittance services.

The Bank's Sydney operations are authorized and regulated by the Australian Prudential Regulation Authority (the “**APRA**”). Two other regulators, namely Australian Securities Investment Commission (the “**ASIC**”) oversees the functioning of the Bank, while Australian Transaction Reports and Analysis Centre reviews the AML/CFT of the Sydney Branch.

Key Objectives of the Sydney Branch

The key objectives of the Sydney Branch are to:

- accept corporate/wholesale deposits and retail deposits greater than A\$250,000;
- participate in syndicated loans and guarantees for all corporates in the primary and secondary markets;
- sanctioning bilateral loans (medium and long term);
- invest in debt securities in the primary and secondary markets;
- trading in the foreign exchange markets;
- providing nostro account services to several banks;
- arrange trade finance for local corporates and also for India based clients; and
- provide remittance facilities to India and other centers.

The Branch is a “foreign authorized deposit taking institution” and is governed by the internal policies of the Branch, coupled with the corporate policies of the Bank's corporate center in India.

As of the date of this Offering Circular, the Sydney Branch is in compliance with the APRA requirements relating to liquidity, denoting, *inter alia*:

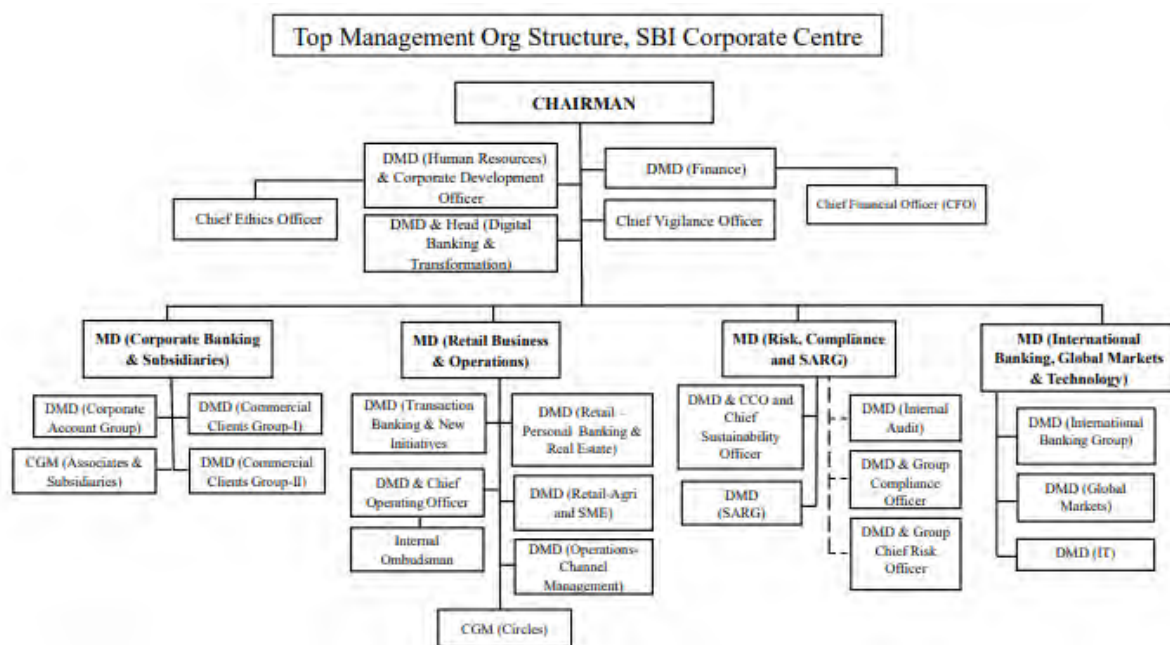
- strong financial strength;
- satisfactory asset quality;
- strong support by the head office on oversight of the branch;
- substantial increase in profit and high-quality earnings; and
- comfortable liquidity ratios.

The Bank's Sydney Branch is also subject to the regulations and directives of the RBI as applicable to overseas branches of Indian banks.

The Bank's Sydney Branch intends to continue to focus on its key objectives as discussed above. With various technology initiatives and new products and excellent customer service, the Sydney Branch expects to further strengthen its already strong relationship with the Indian and local communities in Australia and in u countries with a focus on further improving profitability and qualitative growth of its balance sheet.

MANAGEMENT

The following chart illustrates the management structure of the Bank as of the date of this Offering Circular:



Board of Directors

The Bank was constituted in 1955 when the Indian Parliament passed the SBI Act. A Central Board was constituted pursuant to the SBI Act, and the Central Board complies with the provisions of the SBI Act.

Other than the Chairman, the number of full-time Directors and other Directors on the Bank's Board as of March 31, 2025 is as under:

	As of March 31, 2025
Full-time Directors (i.e., Managing Directors)..	four
Other Directors.....	seven

Other Directors include eminent professionals with expertise in fields of technology, accountancy, finance and economics. These included representatives of shareholders and staff of the Bank, nominees of the Government and the RBI, and directors nominated by the Government under section 19(d) of the SBI Act. The directors are appointed pursuant to section 19 of the SBI Act. The Chairman and the Managing Directors are appointed under sections 19(a) and 19(b) of the SBI Act, respectively.

The non-executive directors who are on the Central Board of the Bank are:

- four directors elected under section 19(c) of the SBI Act by the shareholders;
- one director nominated under section 19(d) of the SBI Act by the Government;
- one director nominated by the Government under section 19(e) of the SBI Act; and

- one director nominated by the Government on the recommendation of the RBI under section 19(f) of the SBI Act.

Central Board as of the date of this Offering Circular

	Name	Designation
1	Shri Challa Sreenivasulu Setty ...	Chairman
2	Shri Ashwini Kumar Tewari	Managing Director (Corporate Banking & Subsidiaries)
3	Shri Vinay M. Tonse	Managing Director (Retail Business and Operations)
4	Shri Rana Ashutosh Kumar Sing	Managing Director (Risk, Compliance & SARG)
5	Shri Rama Mohan Rao Amara	Managing Director (International Banking, Global Markets & Technology)
6	Shri Dharmendra Singh Shekhawat	Director appointed under Section 19(c) of the SBI Act
7	Shri Rajesh Kumar Dubey	Director appointed under Section 19(c) of the SBI Act
8	Shri Ketan S. Vikamsey	Director appointed under Section 19(c) of the SBI Act
9	Shri Mrugank M. Paranjape	Director appointed under Section 19(c) of the SBI Act
10	Smt. Swati Gupta.....	Director appointed under Section 19(d) of the SBI Act
11	Shri Nagaraju Maddirala	Director appointed under Section 19(e) of the SBI Act
12	Shri Ajay Kumar	Director appointed under Section 19(f) of the SBI Act

The Bank's Central Board meets regularly in accordance with the requirements of the Bank, with a minimum of six meetings per year and at least once every quarter. During fiscal year 2025, the Central Board held 16 meetings.

Central Management Committee ("CENMAC")

CENMAC is the highest non-Board level policy making body of the Bank consisting of the Chairman, all Managing Directors and Deputy Managing Directors of the Bank. CENMAC is headed by the Chairman and is a forum for integration and coordination of policies/ strategies/ thinking at the highest level in a regular and structured manner. CENMAC also serves as a think tank and facilitates the day-to-day affairs of the Bank at macro level in strategy formulation, goal setting, identification of problems short-term as well as long-term and provides necessary direction/ guidance. As of the date of this Offering Circular, the members of the CENMAC are as follows:

No	Name	Designation
1	Shri Challa Sreenivasulu Setty	Chairman
2	Shri Ashwini Kumar Tewari	Managing Director (Corporate Banking & Subsidiaries)
3	Shri Vinay M. Tonse	Managing Director (Retail Business & Operations)
4	Shri Rana Ashutosh Kumar Singh	Managing Director (Risk, Compliance & SARG)
5	Shri Rama Mohan Rao Amara	Managing Director (International Banking, Global Markets & Technology)

No	Name	Designation
6	Smt. Saloni Narayan	Deputy Managing Director (Finance)
7	Shri Nitin Chugh	DMD & Head (Digital Banking & Transformation)
8	Shri Rajeev Kumar	Deputy Managing Director (Internal Audit)
9	Smt. Ruma Dey	Deputy Managing Director & Group Compliance Officer
10	Shri Shamsher Singh	Deputy Managing Director (Transaction Banking & New Initiatives)
11	Shri Ramesh S. Rao	Deputy Managing Director (Commercial Clients Group-I)
12	Shri Binod Kumar Mishra	Deputy Managing Director & Chief Operating Officer
13	Shri Surender Rana	Deputy Managing Director (Retail - Agri & SME)
14	Shri Baldev Prakash	Deputy Managing Director & Group Chief Risk Officer
15	Smt. Jayati Bansal	Deputy Managing Director (International Banking Group)
16	Shri Kishore Kumar Poludasu	Deputy Managing Director (Human Resources) & Corporate Development Officer
17	Shri Shiva Om Dikshit	Deputy Managing Director (Operations- Channel Management)
18	Shri Kshitij Mohan	Deputy Managing Director (Stressed Assets Resolution Group)
19	Shri Satish Rao Nagesh	Deputy Managing Director (Information Technology)
20	Shri Ashok Kumar Sharma	Deputy Managing Director & Chief Credit Officer and Chief Sustainability Officer
21	Shri G. S. Rana	Deputy Managing Director (Retail- Personal Banking & Real Estate)
22	Shri Ravi Ranjan	Deputy Managing Director (Global Markets)
23	Shri Prem Anup Sinha	Deputy Managing Director (Corporate Accounts Group)

Profile of Central Management Committee Members

Shri Challa Sreenivasulu Setty took over charge as Chairman on August 28, 2024. He joined the Board of SBI as Managing Director in January 2020 and headed Retail & Digital Banking vertical from year 2020 till 2022 and International Banking, Global Markets & Technology portfolio of the Bank thereafter. He has also been heading various task forces/committees formed by the Government of India. A Bachelor of Science in Agriculture and also, a Certified Associate of Indian Institute of Bankers, he started his career with State Bank of India in 1988 as a Probationary Officer. Across a career spanning over three decades, he has rich experience in Corporate credit, Retail, Digital and International banking and banking in developed markets. Mr. Setty has held key assignments in State Bank of India in Stressed Assets Management, Corporate banking, Mid-Corporate banking, global markets, technology and Syndications both in India and abroad.

Shri Ashwini Kumar Tewari is a career banker and started his career in SBI in the year 1991 as a Probationary Officer and has spent more than three decades with the bank in India and abroad in various assignments. Since November 31, 2023, he is the Managing Director (Corporate Banking and Subsidiaries) of State Bank of India and a Whole Time Director handling the portfolio of Large Corporate and Commercial Credit business of the Bank along with Associates & Subsidiaries of the Bank. This includes major non-bank business like Credit cards, Mutual Fund, Life & General Insurance, Capital Markets, Custodial Services etc.

and serving on the boards of all these companies. Prior to this assignment, he was Managing Director (Risk, Compliance and Stressed Assets) since June 2022. He was focused on driving Climate Risk Management in the Bank and shaping the stressed assets strategy of the Bank. Earlier he was the Managing Director, handling International Banking, Information Technology and Non-Bank Subsidiaries of the Bank from January 2021. He was also involved in a big refresh in the technology space in SBI. Prior to becoming Managing Director at SBI, he served as Managing Director and CEO of SBI Cards and Payment Services Ltd where he oversaw key partnerships inked with GPay, PayTM, BPCL etc. and steered the company through the immediate aftermath of the Covid period. Earlier, he was the Country Head of the US Operations of State Bank of India from April 2017 to July 2020. Prior to that he was the Regional Head and General Manager, East Asia, for SBI, based in Hong Kong. Over the years, he held other leadership positions at State Bank of India, including, the Deputy General Manager (Operations & Information Systems) International Banking, Head of SBI's Cash Management, Regional Manager, Branch Head, among others. An Electrical Engineer by degree, he is a Certified Associate of Indian Institute of Bankers ("CAIIB"), Certified Financial Planner ("CFP") and has done a Certificate Course in Management from XLRI.

Shri Vinay M. Tonse has taken charge as Managing Director (Retail Business and Operations) at State Bank of India ("SBI") on November 21, 2023. He has done his B.com from St. Joseph College of Commerce, Bangalore, and Master's in Commerce from Bangalore University. Shri Tonse started his career with SBI in 1988 as Probationary Officer. He has worked in different geographical locations in India and abroad, heading various business functions. He has deep experience of handling and managing various areas of Banking such as Corporate Credit, International Banking Operations, Treasury Operations, Equity Portfolio Management, Retail Banking and Training, Agriculture and Rural Banking. Shri Tonse was also on deputation to SBI Mutual Funds as Managing Director and CEO (June 2020 to December 2022). SBI Mutual Funds is the largest Asset Management Company in India with an 18% market share approximately. Earlier, he was heading the Chennai Circle of SBI as Chief General Manager (June 2018 to June 2020). He had the overall responsibility of managing 15,000 employees and a network of 1260 branches and offices of SBI situated in Tamil Nadu and Puducherry. Some of the other assignments held by Shri Tonse in SBI are as under:

- Member of Faculty at the apex level State Bank Staff College at Hyderabad
- Chief Executive Officer, SBI Osaka Branch, Japan (August 2009 to June 2013)
- Deputy General Manager, Equity & Commodities (Global Markets), Corporate Centre, Mumbai (June 2013 to November 2016)
- General Manager, Corporate Accounts Group, Branch BKC, Mumbai (November 2016 to June 2018)
- Deputy Managing Director, Corporate Accounts Group, State Bank of India, Corporate Centre, Mumbai

Shri Rana Ashutosh Kumar Singh has Joined as Managing Director (Risk, Compliance & SARG) on August 7, 2024. Mr. Singh started his career with SBI on 1st August 1991 as a Probationary Officer and has rich experience in various facets of banking. Across, his career of more than 33 years, he has served in various business strategic leadership roles across the globe. He is a Certified Associate of Indian Institute of Bankers and holds an MBA (PGEMP) degree from S.P. Jain Institute of Management & Research, Mumbai. He has also attended Leadership Development Programs at Harvard Business School, USA, Indian School of Business, Hyderabad, and Stanford Graduate School of Business, California. He has held key assignments in varied streams viz. Retail & Digital Banking, Credit, Human Resources, and International Banking. Before taking over as Managing Director, he has served as Deputy Managing Director (Retail – Personal Banking & Real Estate), Deputy Managing Director (Transaction Banking & New Initiatives), Deputy Managing Director (Strategy & Chief Digital Officer) and Deputy Managing Director (HR) & Corporate Development Officer. Shri Singh has also steered Chandigarh Circle of SBI as Chief General Manager. He has also served as Chief Executive Officer (CEO) of German Operations of SBI at Frankfurt. Mr. Singh has also served as Nominee Director of SBI on

the boards of National Payments Corporation of India (NPCI) & its subsidiary companies NIPL & NBBL and on the board of PSB Alliance Pvt. Ltd.

Mr. Rama Mohan Rao Amara took charge as the Managing Director of the State Bank of India (“SBI”) on December 18, 2024 and currently heading International Banking, Global Markets & Technology wings of the Bank. This marks a significant milestone in his illustrious career, underscoring his decades-long commitment to the bank. Since joining SBI as a Probationary Officer on August 1, 1991, Mr. Amara has risen through various pivotal roles, demonstrating a deep understanding of the banking industry from both financial, operational and strategic perspectives. Mr. Amara’s engineering foundation, combined with prestigious financial qualifications such as CFA and FRM, has enabled him to seamlessly bridge technical and financial domains. His multi-disciplinary skills empower him to integrate technology and finance, ensuring innovative and efficient solutions for SBI. Before assuming the role of Managing Director, Mr. Amara served as DMD & CRO since November 2023. In this capacity, he played a pivotal role in fortifying SBI’s risk management framework, ensuring bank’s resilience amidst evolving financial and operational risks. As MD & CEO of SBI Card, Mr. Amara enhanced the company’s financial profile, improved operational efficiency, and strengthened its risk management systems, solidifying its market leadership. As CGM of Bhopal Circle, he ensured the Circle’s growth and operational excellence. As CGM (Financial Control), he focused on capital planning, performance monitoring, Asset Liability Management (“ALM”), and investor relations. As CEO of SBI Chicago Branch, Mr. Amara was instrumental in managing operations in a critical international market. Later, as President and CEO of SBI California, he successfully turned around the loss-making operations, addressed all regulatory issues and significantly improved the risk profile and put the bank back on the path of growth. Mr. Amara is also a board member of the International Association of Credit Portfolio Managers (“IACPM”), New York, and contributes to shaping global practices in ever evolving Credit Portfolio management.

Smt. Saloni Narayan, an alumnus of Patna Women’s College, passed with an Honors degree in Economics in 1984, joined SBI in the year 1988 and rose to become the Deputy Managing Director of Finance at State Bank of India, the country’s largest bank. Her key responsibilities include Planning and Budgeting, Performance Analysis, Capital Planning and Investor Relations, Audit and Asset and Liability Management. She is the Bank’s official spokesperson regarding all of Bank’s strategies. She has held critical roles earlier as Deputy Managing Director (Retail Business) managing the entire retail business for the Bank, a portfolio of 10 Lakh Crores wherein she was instrumental in driving multiple digital initiatives along with fintech engagements and customer value enhancement. Prior to this she has held multiple positions, including Head of Operations for the Bank, Chief General Manager and leading UP and neighbouring states. She has broken many glass ceilings, including being the first ever woman to be promoted as Deputy General Manager in SBI from Patna and Jharkhand region (Patna Circle). She is a Certified Associate of Indian Institute of Banking and Finance.

Shri. Nitin Chugh is a career banker with an overall experience of 32 years. He serves as Deputy Managing Director and Head of Digital Banking at State Bank of India. Prior to joining SBI in March 2022, he was the MD and CEO of Ujjivan Small Finance Bank from December 2019 to September 2021. He also served for over 18 years at HDFC Bank from 2001 to mid-2019, where he managed several leadership roles in retail banking. His last role at HDFC Bank was that of Group Head for Digital Banking where he oversaw the digital transformation of HDFC Bank from 2013 to 2019. Shri. Nitin Chugh is an accomplished industry leader and well regarded in retail and digital banking. He is an engineer and MBA by qualification. He also serves on the boards of SBI Card, SBI Payments Services Ltd & ONDC.

Shri Rajeev Kumar, a seasoned banking professional from Muzaffarpur, Bihar, is presently holding the position of Deputy Managing Director (Internal Audit) in the Bank. He began his career as a Probationary Officer on 08th July 1994 and has accumulated over three decades of experience in branch and corporate roles across multiple geographies in the country, notably, Orissa, Bihar, Jharkhand, Madhya Pradesh, Delhi, Gujarat and at SBI’s Corporate Centre in Mumbai. Shri Rajeev Kumar in his 30-year journey with SBI, has spearheaded several assignments in Retail, Audit, Digital Banking and Human Resources which has shaped his leadership

talent, administrative acumen and most importantly people skills that has enabled him to understand the nuances of the dynamic business needs. Known for his leadership, commitment and result orientation, Shri Rajeev Kumar has driven innovation and growth in the bank's business in his various leadership roles at regional, zonal and network levels. He has been prominent in spearheading the growth of digital products- including SBI's flagship YONO digital banking platform (launched in 2017) and new online lending solutions. Prior to his current role, he held the post of Chief General Manager (Human Resources), shaping the Talent at SBI for 2.35+ lac employees from hire to retire and beyond i.e., Life 2.0 for pensioners. His contribution to HR Transformation has resulted in several new & innovative policies on situational basis. Some of the cutting-edge practices implemented during his tenure - Enhancing employee experience with HRMS app, AI enabled dynamic metrics to assess performance for the frontline, Transforming SBI into a skill-based Bank to name a few. As DMD (Internal Audit), he plays a key role in providing independent assurance to the Board of Directors and Top Management of the Bank on the quality and effectiveness of the Banks internal controls, risk management, governance systems and processes. Shri Rajeev Kumar is a science graduate and Certified Associate of Indian Institute of Bankers. He has completed Senior Executive Development Program in building CHROs from XLRI Jamshedpur. He has specialized training in digital banking, cyber security, government business and SME credit. He participated in the Advanced Leadership and Digital Leadership Programs at the Indian School of Business (ISB), Hyderabad, completed a Business Analytics course from IIM Kolkata and undertook the Continuing Education Programme (CEP) at IIT Bombay.

Smt. Ruma Dey is holding the position of Deputy Managing Director and Group Compliance Officer (GCO), from June 2022. As Group Compliance Officer, she and her team are having oversight on 21 entities (15 Domestic Non-Banking Subsidiaries and 6 Overseas Banking & Non-Banking Subsidiaries) across the SBI-Financial Conglomerate. Smt. Ruma Dey, a Career Banker, joined the Bank as a Probationary Officer in 1990. During a span of more than 35 years in the Bank, Smt. Ruma Dey has served in different capacities in the Bank across various geographical locations in the country. Smt. Ruma Dey was General Manager (NW) at Kerala. This was followed by a stint as Chief General Manager of Bhubaneswar Circle and Kolkata Circle. She was the first lady Chief General Manager at Kolkata Circle. She has varied experience in different fields of Banking viz. Credit & Risk Management, Retail Banking, Human Resources, Agricultural Banking, International Banking and Compliance. She is a Certified Associate of Indian Institute of Bankers and ACAMS Certified Professional.

Shri Shamsher Singh is holding the position of Dy. Managing Director (TB&NI) at State Bank of India since November 2024. Mr. Singh started his career with SBI as Probationary Officer in 1990 at Delhi Circle. His Educational Qualification is Bachelor of Commerce (Delhi University), Certified Associate, (Indian Institute of Bankers) and is a certified Anti Money Laundering Specialist (ACAMS). He has done Certificate Course in Regulatory Governance from Indian Institute of Corporate Affairs, Ministry of Corporate Affairs. He worked in different geographical locations in India and abroad heading various business functions. He has good experience of handling and managing various areas of Banking such as Treasury Operations, Retail Banking, Structured Products, and Forex dealing. Prior to his elevation to the position of DMD(TB&NI). Mr.Singh headed SBI Funds Management Ltd from November 2022 to November 2024. He was also heading the Ahmedabad Circle, as Chief General Manager from November 2020 till November 2022. As a Circle Head, he was responsible for driving business growth and ensuring regulatory compliance across approximately 1,400 branches of State Bank of India across Gujarat State and Daman and Diu and had an overall responsibility of managing approximately 11,000 employees.

Shri Ramesh S. Rao joined the Bank as a Probationary Officer in the year 1995 in Bangalore Circle. He worked as Regional Manager in Karwar in the period 2016-17 and as Dy. General Manager, he headed IFB, Chennai and CB, Chennai during the period 2017-21. He Worked as General Manager, CCGRO I, Mumbai from 2021-23. In his previous assignment as Chief General Manager, he headed Commercial Clients Group-IV

(South) Network. Presently he is posted as Deputy Managing Director (CCG-1) at SBI, Corporate Centre, Mumbai and is heading the Commercial Clients Group (CCG-1) business vertical of the Bank.

Shri Binod Kumar Mishra had joined the Bank as Probationary Officer in year 1990 and during his Banking & Finance career spanning almost 35 years, he has gained vast experience in the fields of Operations, Compliance, Asset Management, Treasury & Risk, Commercial Credit, and International Banking, across various offices of SBI in India as well as one stint at foreign subsidiary and one stint at domestic subsidiary of SBI. In his past assignments, he was heading Bhopal Circle covering states of Madhya Pradesh and Chhattisgarh, he was also posted as Chief Operating Officer at SBI Fund Management Ltd, and more recently as General Manager at Chandigarh Circle handling operations of SBI in the state of Himachal Pradesh and Union Territories of Jammu & Kashmir and Ladakh. He had also earlier managed Deposits, Forex, Treasury, Capital, Risk, Branch expansion etc as Chief Financial Officer for Nepal SBI Bank Ltd. Before taking over as DMD & COO he was holding the position of Deputy Managing Director (HR)& CDO heading the HR Training & Corporate Development Vertical of SBI. He was member of the Governing Board of IIBM, Guwahati and ex-officio Director in SBI Foundation, SBOSS and IIBF, a Premium Capacity Building Institute among Bankers.

Shri Surender Rana, a civil engineer, joined the Bank as Probationary Officer in 1991 at Delhi Circle and is presently in charge of the Agriculture and SME Business Units of the Bank. Shri Rana is a seasoned banker, with a rich experience of more than 33 years in various capacities in State Bank of India which includes Chief General Manager of Ahmedabad and Patna circle, General Manager in Chandigarh circle and DGM, SMEBU, at the Corporate Centre.

Shri Baldev Prakash is the Deputy Managing Director & Group Chief Risk Officer. In this role he is responsible for oversight, identification, managing and mitigating various risks associated with the Bank's operations. Developing and implementing strategies to identifying potential risks that could impact the Bank's capital, earnings and reputation. Assessing their likelihood and potential impact on the Bank and the Group. To ensure that Bank and Group companies' risk profile is aligned with business objectives and risk management practices adopted by the Bank and group companies, comply with relevant regulations and laws. He is responsible for ensuring that Bank and Group companies' risk management practices are integrated into the overall business strategy of the Group, promoting resilience and sustainability. He is also responsible for maintaining strong relationships with the regulatory bodies. Baldev Prakash believes in strengthening capacity and capability of his team members, nurturing customer relationships and building sustainable businesses to achieve development objectives of the Bank and State Bank Group. Baldev Prakash has more than 34 years of experience in banking, including retail, corporate banking, foreign exchange business and a diverse array of leadership roles in SBI covering variety of domestic and overseas assignments. These roles offer various leadership challenges including people, financial, operations, risk and regulatory compliance. Prior to joining as Deputy Managing Director & Group Chief Risk Officer in January 2025, Baldev Prakash was Managing Director & CEO of Jammu & Kashmir Bank, a listed company having a leadership position in banking business in the Union Territories of J&K and Ladakh. Besides responsible for running the Board of the Bank, he was also Chairman of the Board of JKB Financial Services, a wholly owned non-banking subsidiary company of the Bank. Baldev Prakash led the Bank for three years from December 2021 to December 2024 with profound sense of accomplishments having transformed the Bank into a thriving, resilient and future-ready institution. Baldev Prakash is a graduate in Economics from Kurukshetra University. He also holds a post-graduate degree in History from Kurukshetra University. During his professional journey he has completed Advance Management Program from Indian Institute of Banking and Finance (in collaboration with IIM Calcutta), Diploma Course in Treasury, Investments and Risk Management, Diploma course in International Banking and Finance from Indian Institute of Banking and Finance, Mumbai.

Ms. Jayati Bansal, is currently the Deputy Managing Director – International Banking Group of State Bank of India ("SBI"). As the head of International Banking Group of SBI, Ms. Bansal is responsible for group

strategy, business development, operational efficiency and other functional areas of the Group. The International Banking Group of SBI comprises of International network of 244 offices across 29 countries, with a business portfolio of more than U.S.\$92 billion and staff complement exceeding 3,000. In her banking experience of over 34 years, Ms. Bansal has held various positions across a wide range of domains viz. Operations, Credit, Treasury, Financial Institution Group, International Banking, etc. and gained expertise in equal measure in all the areas. Ms. Bansal has had three prior foreign assignments in the Bank – at SBI Frankfurt, SBI New York and as the Regional Head of East Asia operations in Hong Kong (which comprises Hong Kong, China, Japan, South Korea Operations and the Manila Representative Office). She holds a Master’s degree in Business Administration (MBA), MA (English) and Certified Associate of Indian Institute of Bankers (“CAIIB”).

Shri Kishore Kumar Poludasu is currently the DMD (HR) & CDO, overseeing the welfare and professional growth of over 2.3 lakh employees and more than 2 lakh pensioners. His role also includes corporate developmental activities spanning over the infrastructure, branding, business conduct etc of the Bank. He assumed this role after a distinguished tenure as DMD (Internal Audit Department). Prior to that, he was entrusted with the responsibility of leading SBI General Insurance Company Ltd. as its Managing Director & CEO. A firm believer in building resilient systems and empowered teams, Shri Poludasu has consistently delivered long-term, sustainable outcomes through a sharp focus on strengthening internal controls and fostering a people-centric culture. He believes that organizational excellence is driven by the synergy of people working together with complementary strengths and shared purpose. He is a Certified Associate of Indian Institute of Bankers and holds an MBA Degree from S.P. Jain Institute of Management & Research, Mumbai. With over 34 years of experience, Shri Poludasu began his journey in the Bank as a Probationary Officer. Over the decades, he has held leadership positions across diverse business domains, including Retail Banking, Commercial Banking – Large Corporate & Infrastructure Credit; International Banking Group (“IBG”); Enterprise Management; Mergers & Consolidation. His key areas of focus have included business development, profitability enhancement, compliance & risk, and human resource management. He successfully led the foundational taskforce to establish the “National Bank for Financing Infrastructure and Development (“NaBFID”)", an All India Financial Institution promoted by Government of India for enhanced focus on financing & development of infrastructure sector in India. He was appointed as Country Head, Singapore Operations, representing SBI in a dynamic global environment. He had also played a pivotal role in the merger of State Bank of Mysore with SBI, overseeing seamless integration of systems, processes, and Human Resources. He has brought in a global perspective through professional tenures in London, Panama, and Singapore, collaborating with cross-cultural teams and international stakeholders. Shri Poludasu’s journey reflects a blend of strategic foresight, operational excellence, and people-first leadership, making him a key architect of SBI’s evolving HR transformation agenda.

Shri Shiva Om Dikshit is a seasoned banker who joined SBI as a Probationary Officer in 1988. Mr. Dikshit currently leads the Operations Channel Management vertical as Deputy Managing Director. He oversees strategic functions including Anytime Channels, Financial Inclusion, Contact Centre, and Third-Party Management—driving cost optimization, digital transformation, and operational efficiency. He has played a pivotal role in revamping SBOSS, SBI’s operations support subsidiary, enhancing outsourcing frameworks, tech integration, and performance monitoring. Previously, he served as Chief General Manager in key roles including Financial Control, Business Solutions, and Patna Circle, where he led 1,559 branches across Bihar and Jharkhand to top MD Matrix rankings. As CGM (Business Solutions), he bridged IT and business for major tech initiatives, leading a team of 45 Business Analysts. His leadership at Jaipur Network-II saw its leap from 30th to 4th in performance rankings within a year. Internationally, he was Vice President & Regional Manager at SBI California, where he successfully led the bank out of FDIC consent orders. An accomplished strategist, he also spearheaded SBI’s first medium-term strategic document for FY 2019–21 as DGM (Performance Planning).

Shri Kshitij Mohan joined State Bank of India in 1990 as Probationary Officer. Mr. Mohan holds a Master's degree in Business Administration (Finance). He has more than three decades of Banking experience. He has held various positions both in India and Overseas, across multiple functions. His previous assignments include Assistant General Manager (RM) & Dy. General Manager (DGM) & RM at Corporate Accounts Group, General Manager (Centralised Resolution Team) and Chief General Manager (Credit Review Dept.). During this period Shri Kshitij Mohan has led in COC in few very high value accounts, where SBI was the Lead Bank. The Consortium of Banks received substantial recovery/resolution in these accounts. In his previous assignment, he worked as Chief General Manager of Commercial Clients Group looking after Eastern & Western India (excluding Mumbai), which includes Branches spread in the States of West Bengal, Gujarat, Maharashtra (other than Mumbai Metro), Madhya Pradesh, Odisha and Chhattisgarh. In his last assignment, he worked as Chief General Manager, Ahmedabad Circle, spearheading Business and Operations of 1250+ branches scattered across the length and breadth of the state of Gujarat & UT of Dadar & Nagar Haveli, Daman and Diu. After his elevation to Deputy Managing Director, he is heading the Stressed Assets vertical of the Bank.

Shri Satish Rao Nagesh joined State Bank of India, as Probationary Officer on 01.08.1991. Shri Satish Rao has worked in various assignments during his long and distinguished banking career. He has immense experience in various banking domain of Retail, International Banking, Learning and Development, Branch Operations, Data Management & IT. Prior to his current role as DMD (IT), he had worked as Chief General Manager (IT- Core & Special Project) leading Core Banking Operations, Loan Management solution and other enterprise wide IT platforms. He also lead the team implementing Data Management and Data Governance in SBI as Chief Data Manager Officer.

Shri Ashok Kumar Sharma in his current role as, Chief Credit Officer and Chief Sustainability Officer looks after setting up of policy directions both in the areas of credit as well as ESG and oversees the Credit approvals across the Bank. He is also Nominee Director on the Board of NeSL (National E-Governance Services Ltd), NADL (NeSL Asset Data Limited) and ARCIL (Asset Reconstruction Company (India) Limited). Mr. Sharma is actively involved in policy level discussions at various policy level Bodies/Ministries.

Shri G. S. Rana is presently holding the position of Deputy Managing Director (Retail – Personal Banking & Real Estate), at the Corporate Centre, Mumbai. Shri Rana joined the Bank as a Probationary Officer on 1st August 1991, and his journey of 34 years, serving various positions in different geographical locations in the Bank is exemplary. He has handled important assignments in various capacities in Retail Banking, Credit, Human Resources and International Banking. Before taking over the current assignment at the Corporate Centre, he was posted as Chief General Manager of Mumbai Metro Circle. Prior to that he was the General Manager and Branch Head of CAG Branch, BKC, Mumbai and before that, he worked as General Manager (Network) in Lucknow Circle. He holds a master's degree in chemistry and is a Certified Associate of Indian Institute of Bankers. He is an MBA (PGEMP) from S.P. Jain Institute of Management & Research, Mumbai.

Shri. Ravi Ranjan has over 33 years of banking experience, having started his career as a Probationary Officer with State Bank of India in 1991. He has held various positions both in India and overseas, across multiple functions. Currently heading Global Markets of SBI as Deputy Managing Director. Global Market Unit, looking after entire investment portfolio of SBI, which is close to USD 200 bio. Previously, he headed Corporate Accounts Group (CAG) of SBI as Deputy Managing Director catering to the large corporate clients of the Bank. Previously he also headed 1,259 branches of SBI, Chennai Circle as Chief General Manager which includes Tamil Nadu and Pondicherry. He was the President and Chief Operating Officer of SBICAP Securities Ltd (“SSL”), a subsidiary of SBI for the period between 2022-2023. He headed NW-II of Bangalore Circle as General Manager and prior to that he was DGM and Special Secretary to Chairman, State Bank of India. Earlier, he has managed Bank's proprietary investments in equity and mutual funds and also worked as Vice President & Head - Syndications at Hong Kong looking after Syndicated Loan portfolio with portfolio of SBI Hongkong. During the period 1991 to 2010, he had held assignments spanning various facets of Head of Account

Maintenance Team (“**AMT**”) for Shipping and Aviation Sectors, State Bank Academy, been Branch Manager of five different branches of State Bank of India in different parts of the country and also, overseas assignment at California.

Shri Prem Anup Sinha is a seasoned Banker. He is currently the Deputy Managing Director at the State Bank of India (SBI), where he plays a pivotal role in steering the bank's strategic direction and operations. With a career that spans over three decades, Mr. Sinha has developed deep expertise in key areas of the banking sector, including retail banking, international banking, corporate banking, credit and advances. His multifaceted experience across these domains has equipped him with a comprehensive understanding of the complexities of the financial landscape, enabling him to lead with both insight and foresight. Prior to his current role, Mr. Sinha served as the Circle Head of SBI's Kolkata Circle, where he demonstrated exceptional leadership and management skills. In this capacity, he was responsible for overseeing the bank's operations in one of its key regions, driving growth, enhancing customer service, and ensuring operational efficiency. His work in Kolkata was marked by his ability to lead teams effectively, develop innovative solutions, and achieve significant milestones in both business expansion and service excellence. Mr. Sinha's career also includes significant international exposure, having worked on an overseas assignment in London. During his time in London, he gained invaluable experience in the global banking sector, broadening his perspective on international finance, cross-border transactions, and compliance with global banking standards. This experience has been instrumental in shaping his approach to international banking, helping him to integrate global best practices into SBI's operations. Academically, Mr. Prem Anup Sinha holds a master's degree in business management and a master's degree in economics. His strong educational background has provided him with a solid foundation in both the theoretical and practical aspects of business and economics, which he has applied effectively throughout his career. Overall, Mr. Sinha's leadership at SBI is characterized by his dedication to innovation, customercentric strategies, and sustainable growth. His career trajectory reflects a blend of domestic and international experiences, making him a well-rounded leader in the financial sector. As Deputy Managing Director, he continues to focus on driving SBI's growth by leveraging his extensive experience and academic knowledge to shape the future of banking at one of India's largest financial institutions

Committees

Under the terms of provision of the SBI Act and General Regulations 1955 and relevant regulatory guidelines, there are 10 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, (7) Nomination and Remuneration Committee, (8) Board Committee to Monitor Recovery (9) Corporate Social Responsibility Committee and (10) Review Committee for Identification of Willful Defaulters/Non Co-operative Borrowers.

Executive Committee of the Central Board

The ECCB is constituted pursuant to section 30 of the SBI Act. SBI General Regulations, 1955 (“**SBI Regulations**”). SBI Regulations (sections 46 and 47) provide that, subject to the general or special directions of the Central Board, the 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 clause (f) of section 19 of the SBI Act (the “**RBI Nominee**”), and all or any of the other directors who are normally residents or may, for the time being, be present at any place within India where ECCB meetings are held.

The ECCB meetings are held once every week. The ECCB met 52 times between April 1, 2024 and March 31, 2025.

Audit Committee of the Board

The Audit Committee of the Board was constituted on July 27, 1994 and last reconstituted on June 26, 2023. The ACB operates under RBI guidelines and complies with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and LODR Amendment Regulation 2018 to the extent that they do not violate the directives and guidelines issued by the RBI/GOI. The composition and functions of the ACB are set out below:

Composition of the Committee

The ACB has four members as of the date of this Offering Circular, all of whom are non-executive Directors. Meetings of the ACB are chaired by a non-executive independent Director. The members of the ACB are:

- **Shri Ketan S. Vikamsey** — Independent Director — Chairman
- **Shri Mrugank M. Paranjape** — Independent Director — Member
- **Shri Rajesh Kumar Dubey** — Independent Director — Member
- **Shri Ajay Kumar**— RBI Nominee Director - Member

The functions of the ACB are as follows:

- ACB provides direction and oversees the operation of the total audit function in the Bank. Total audit function implies the organization, operationalization 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.
- ACB reviews the Bank's financial, Risk Management, IS Audit Policies and Accounting Policies/Systems of the Bank to ensure greater transparency.
- ACB reviews the internal inspection / audit plan and functions in the Bank, the system and its quality and effectiveness in terms of follow-up. It also, especially, focuses on the follow up of:
 - KYC-AML guidelines;
 - Major areas of housekeeping; and
 - Compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference and role of the Audit Committee was reviewed by the Central Board at its meeting held on March 6, 2019 in line with the SEBI (LODR) Amendments Regulations, 2018 which were effective from April 1, 2019.
 - It obtains and reviews reports from the Compliance Department in the Bank.
- The ACB follows-up on all issues raised in the RBI's Annual Financial Inspection Reports under Section 35 of Banking Regulation Act, 1949 ("**Banking Regulation Act**") and long form audit reports of the statutory auditors and other internal audit reports. It interacts with external auditors before the finalization of the Bank's quarterly and annual financial accounts and reports 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.

17 meetings of the ACB were held between April 1, 2024 and March 31, 2025, to review various matters connected with internal control systems and procedures and other aspects as required under the terms of the RBI guidelines.

Risk Management Committee of the Board

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 Committee was last reconstituted on June 26, 2023. It has five members as on March 31, 2025. The Committee has a regular chairperson and is chaired by a Non-Executive Independent Director.

Composition of the Committee

The Committee has five members as of the date of this Offering Circular:

- **Shri Mrugank M. Paranjape** — Independent Director — Chairman of the Committee
- **Shri Ketan S. Vikamsey** — Independent Director — Member
- **Rajesh Kumar Dubey** — Independent Director — Member
- Managing Director (Risk, Compliance and Stressed Assets Resolution Group) — Member (*ex-officio*)
- Managing Director (Corporate Banking and Subsidiaries) — Member (*ex-officio*)

The RMCB meets at least once in each quarter. The RMCB held eight meetings between April 1, 2024 and March 31, 2025.

IT Strategy Committee of the Board

The IT Strategy Committee of the Board was constituted on August 26, 2004, to track the progress of the Bank's IT initiatives. The Committee was last reconstituted on June 26, 2023. The Committee has played a strategic role in the Bank's technology domain. The 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 Organizational structure complements the business model and its direction;
- ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- evaluating effectiveness of management's monitoring of IT risks and overseeing the aggregate funding of IT at the Bank level; and
- reviewing IT performance measurement and contribution of IT to businesses (i.e., delivering the promised value).

Composition of the Committee

The Committee has five members as on March 31, 2025:

- **Shri Rajesh Kumar Dubey** — Independent Director — Chairman of the Committee
- **Shri Ketan S. Vikamsey** — Independent Director — Member
- **Shri Mrugank M. Paranjape** — Independent Director — Member

- Managing Director (International Banking, Global Markets and Technology) — Member (*ex-officio*)
- Managing Director (Risk, Compliance and Stressed Assets Resolution Group) — Member (*ex-officio*)

The Committee met seven times between April 1, 2024 and March 31, 2025.

Special Committee of the Board for Monitoring and Follow-up of Cases of Frauds Special Committee of the Board for Monitoring of Large Value Frauds

The Special Committee for monitoring of Large Value Frauds was constituted on March 29, 2004. The major functions of the Committee are to monitor and review all large value frauds with a view to identifying systemic lacunae, if any, reasons for delay in detection and reporting, if any, and to monitor progress of Central Bureau of Investigation or police investigations, recovery positions, to ensure that staff accountability exercises are completed quickly, to review the efficacy of remedial action taken to prevent recurrence of frauds and to put in place suitable preventive measures. The Committee was last reconstituted w.e.f. June 26, 2023. It has four members as of March 31, 2025. The Committee has a regular chairperson and is chaired by a Non-Executive Independent Director.

Composition of the Committee

The Committee has six members as of the date of this Offering Circular:

- **Shri Ketan S. Vikamsey** — Independent Director — Member
- **Dr. Mrugank M. Paranjape** — Independent Director — Member
- **Smt. Swati Gupta** — Independent Director — Member
- **Shri Dharmendra Singh Shekhawat** — Independent Director — Member
- Managing Director (Risk, Compliance and Stressed Assets Resolution Group) — Member (*ex-officio*)
- Managing Director (Retail Business and Operations) — Member (*ex-officio*)

The Committee met four times between April 1, 2024 and March 31, 2025.

Stakeholders Relationship Committee of the Board cum Customer Service Committee of the Board (“CSCB”)

Pursuant to Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Stakeholders Relationship Committee (“**SRC**”) (previously known as Shareholders’/ Investors’ Grievance Committee of the Board) was formed on January 30, 2001, to look into the redressal of Shareholders’ and Investors’ complaints regarding transfer of shares, non-receipt of annual report, non-receipt of interest on bonds/declared dividends, etc. The Customer Service Committee of the Board (“**CSCB**”) was constituted on August 26, 2004, to bring about ongoing improvements on a continuous basis in the quality of customer service provided by the Bank. 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 rationalize the number of Board Level Committees, the merger of SRC and CSCB was approved by the Central Board in its meeting on June 25, 2020. The merger was named as Stakeholders Relationship Committee cum Customer Service Committee of the Board and became effective from June 26, 2020. The Committee was last reconstituted on June 26, 2023 and has six members as of March 31, 2025. The Committee has a regular chairperson and is chaired by a Non-Executive Independent Director.

Composition of the Committee

The Committee has six members as of the date of this Offering Circular:

- **Shri Rajesh Kumar Dubey** — Independent Director — Chairman of the Committee
- **Shri Ketan S. Vikamsey** — Independent Director — Member
- **Smt. Swati Gupta** — Independent Director — Member
- **Shri Dharmendra Singh Shekhawat** — Independent Director — Member
- Managing Director (International Banking, Global Markets and Technology) — Member (*ex-officio*)
- Managing Director (Retail Business and Operations) — Member (*ex-officio*)

The SRC held four meetings between April 1, 2024 and March 31, 2025.

Nomination and Remuneration Committee of the Board (“NRCB”)

The NRCB was constituted on October 25, 2019 following the direction by the RBI pursuant to its Master Direction DBR. Appt. No. 9/29.67.001/2019-20 dated August 2, 2019, and the Government of India pursuant to its letter No. F. No 16/19/2019-BO.I dated August 30, 2019, to have a single Nomination and Remuneration Committee of the Board.

The Committee 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 terms of reference / mandate of the NRC were reviewed and approved by the Central Board in its meeting held on September 27, 2023. The Committee was last reconstituted with effect from June 26, 2023. The Committee has a regular chairperson and is chaired by a Non-Executive Independent Director. It has five Non-Executive Directors as members as of March 31, 2025:

- **Shri Rajesh Kumar Dubey** — Independent Director — Chairman of the Committee
- **Shri Ketan S. Vikamsey** — Independent Director — Member
- **Shri Mrugank M. Paranjape** — Independent Director — Member
- **Smt. Swati Gupta** — Independent Director — Member
- **Shri Dharmendra Singh Shekhawat** — Independent Director — Member

The committee meets at least once a year. During the year 2024-2025, NRC met once.

Board Committee to Monitor Recovery

Pursuant to Government advice, the Board Committee to Monitor Recovery was constituted by the Central Board at its meeting held on December 20, 2012 to oversee the recovery of loans and advances. The Committee was last reconstituted on with effect from June 26, 2023.

Composition of the Committee

The Committee has 10 members consisting of the Chairman, four Managing Directors and five Non-Executive Directors, including the Government of India’s Nominee Director. Details of Committee members are as described hereunder:

- Chairman — Chairman of the Committee (*ex-officio*)
- **Shri Nagaraju Maddirala** — Government of India Nominee Director - Member

- **Shri Mrugank M. Paranjape** — Independent Director — Member
- **Shri Rajesh Kumar Dubey** — Independent Director — Member
- **Smt. Swati Gupta** — Independent Director — Member
- **Shri Dharmendra Singh Shekhawat** — Independent Director — Member
- Managing Director (International Banking, Global Markets and Technology) – Member (*ex-officio*)
- Managing Director (Risk, Compliance and Stressed Assets Resolution Group) — Member (*ex-officio*)
- Managing Director (Corporate Banking and Subsidiaries) — Member (*ex-officio*)
- Managing Director (Retail Business & Operations) — Member (*ex-officio*)

The Committee met three times between April 1, 2024 and March 31, 2025.

Corporate Social Responsibility Committee of the Board (“CSRC”)

The CSRC was constituted on September 24, 2014, to facilitate good corporate governance and to review the Bank’s activities under its corporate social responsibility policy. The Committee was last reconstituted with effect from June 26, 2023.

Composition of the Committee

The Committee has five members as of March 31, 2025. The Senior Managing Director, who is member of the Committee, chairs the meeting:

- Managing Director (Retail Business and Operations) — Chairman of the Committee (*ex-officio*)
- Managing Director (International Banking, Global Markets and Technology) — Member (*ex-officio*)
- **Shri Ketan S. Vikamsey** — Independent Director — Member
- **Shri Mrugank M. Paranjape** — Independent Director — Member
- **Shri Dharmendra Singh Shekhawat** — Independent Director — Member

The Committee met four times between April 1, 2024 and March 31, 2025.

Review Committee for Identification of Willful Defaulters / Non-Cooperative Borrowers

The committee was first constituted by the Central Board in its meeting held on May 17, 2016 in terms of RBI instructions. During FY 2024-25, the Committee was chaired by the Managing Director- Risk, Compliance & SARG up to January 15, 2025. This Committee met four times during the year 2024-25. Subsequently, the Board level RCIWD was reconstituted by the Central Board in its meeting held on January 16, 2025 to comply with RBI master direction and as per new constitution, the Chairman of the Bank is designated as the Chairman of the Board level RCIWD with at least two Non-Executive Directors forming the quorum as members. The role of this Board level RCIWD is to review the order of the ‘Wilful Defaulter Identification Committee (“WDIC”)’ (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 limits as approved by the Central Board. The order of the WDIC becomes final only after it is confirmed by the RCIWD. No meeting of the Board level RCIWD headed by the Chairman was held during the year.

Composition of the Committee

The Committee, when reconstituted, shall have the following members:

- Chairman — Chairman of the Committee (*ex-officio*)
- At least Two Independent/Non-Executive Directors with Chairman forms the quorum

Compensation for Executives and the Board

The remuneration of the Whole Time Directors is prescribed by Government of India from time to time. Non-Executive Non-Official Directors of the Bank are paid a Sitting Fee for attending the meetings of the Board/ Committees of the Board. No remuneration, other than the Sitting Fee for attending meetings of Board and/or its committees, is paid to Non-Executive Directors. The amount of Sitting Fees is guided by Government of India guidelines and is approved by the Central Board of the Bank. With effect from October 25, 2019, Sitting Fees of C 70,000/- is paid for attending the Meetings of the Central Board and C 30,000/- for attending the meetings of other Board level Committees.

Appointment and Remuneration of the Chairman, Managing Director and Other Directors

The Chairman and Managing Director(s) of the Bank are appointed by the Government in consultation with the RBI. Their salaries are determined by the Government. Additionally, seven directors are nominated or appointed by the Government and one director is nominated by the Government on the recommendation of the RBI. A maximum of four directors can be appointed by shareholders, subject to the amount of their shareholdings. The RBI may also appoint one or more additional directors in the interest of banking policy, the public interest, the interest of the Bank or the interest of the Bank's depositors. Such additional directors are not taken into account for the purpose of calculating any proportion of the total number of directors of the Bank. The directors are paid fees and allowances for attending the meetings of the Central Board or of any board committees and for attending to any other work of the Bank as may be prescribed.

Shareholdings of Directors of the Central Board

The following table sets out information relating to the ownership of share capital by Directors of the Bank as of March 31, 2025:

Name	Number of Shares held
Shri Challa Sreenivasulu Setty	500
Shri Ashwini Kumar Tewari	310
Shri Vinay M. Tonse	2,500
Shri Ketan S. Vikamsey	5,000
Shri Mrugank M. Paranjape	10,000
Shri Rajesh Kumar Dubey	5,000
Shri Dharmendra Singh Shekhawat	5,100
Smt. Swati Gupta	Nil
Shri Ajay Kumar	Nil
Shri Rana Ashutosh Kumar Singh	Nil
Shri Rama Mohan Rao Amara	Nil

Name	Number of Shares held
Shri Nagaraju Maddirala	Nil

Distribution of Shareholdings

The following table sets forth information relating to the distribution of the Bank's shareholdings as of March 31, 2025:

Shareholder	% of Shares
President of India	56.92
Non-residents (FIIs/OCBs/NRIs/GDRs)	11.07
Financial Institutions / Insurance Companies/Banks, etc.	12.28
Mutual Funds and UTI	12.54
Private Corporate Bodies.....	0.56
Others (including Resident individuals).....	6.63
Total	100.00

THE INDIAN FINANCIAL SECTOR

The information presented in this section has been extracted from publicly available documents from various sources, including officially prepared materials from the Government and its various ministries, the RBI and the Indian Banks Association, and has not been prepared or independently verified by the Bank, the Arrangers, the Dealers, the Trustee or any of their affiliates or advisors.

Introduction

The RBI, the central banking and monetary authority of India, is the central regulatory and supervisory authority for Indian banks and non-banking finance companies. A variety of financial intermediaries in the public and private sectors participate in India's financial sector, including the following:

- commercial banks;
- small banks and payment banks;
- long-term lending institutions;
- non-banking financial companies, including housing finance companies;
- other specialized financial institutions and state-level financial institutions;
- insurance companies; and
- mutual funds.

Until the 1990s, the Indian financial system was strictly controlled. Interest rates were administered by the Government. Formal and informal parameters governed asset allocation and strict controls limited entry into and expansion within the financial sector. Bank profitability was low, NPAs were comparatively high, capital adequacy was diminished and operational flexibility was hindered. The Government's economic reform program, which began in 1991, encompassed the financial sector. The first phase of the reform process began with the implementation of the recommendations of the Committee on the Financial System, namely the Narasimham Committee I. Following that, reports were submitted in 1997 and 1998 by other committees, such as the second Committee on Banking Sector Reform, namely the Narasimham Committee II, and the Tarapore Committee on Capital Account Convertibility. This, in turn, led to the second phase of reforms relating to capital adequacy requirements, asset classification and provisioning, risk management and merger policies. The deregulation of interest rates, the emergence of a liberalized domestic capital market and the entry of new private sector banks have progressively intensified the competition among banks. Banks in India may be categorized as scheduled banks and non-scheduled banks, where the former are banks which are included in the second schedule to the RBI Act as amended. These banks comprise SCBs and scheduled cooperative banks.

This discussion presents an overview of the role and activities of the RBI and of each of the major participants in the Indian financial system, with a focus on commercial banks. This is followed by a brief summary of the banking reform process along with the recommendations of various committees that have played a key role in the reform process. A brief discussion on the impact of the liberalization process on long-term lending institutions and commercial banks is then presented. Finally, reforms in the non-banking financial sector are briefly reviewed.

The Reserve Bank of India

The Reserve Bank of India, established on April 1, 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934, is the central banking and monetary authority in India. Though originally privately owned, since nationalization in 1949, the Reserve Bank is fully owned by the Government of India. The RBI

manages the country's money supply and foreign exchange and also serves as a bank for the Government and for the country's commercial banks. In addition to these traditional central banking roles, the RBI undertakes certain developmental and promotional roles.

The RBI issues guidelines on exposure limits, income recognition, asset classification, provisioning for non-performing and restructured assets, investment valuation and capital adequacy for commercial banks, long-term lending institutions and non-banking financial companies. The RBI requires these institutions to furnish information relating to their businesses to it on a regular basis.

Commercial Banks

Commercial banks in India have traditionally focused on meeting the short-term financial needs of primary, secondary & tertiary sector. In recent years they have also focused on increasing long-term financing to sectors like infrastructure. As at March 31, 2025, there were 150 SCBs in the country, including 43 regional rural banks ("RRBs"). SCBs are banks that are listed in the 2nd schedule to the RBI Act and are further categorized as public sector banks, private sector banks and foreign banks. SCBs have a presence throughout India with majority of them located in rural or semi-urban areas of the country. A large number of these branches belong to the public sector banks.

Public Sector Banks

As of March 31, 2025, there were 12 public sector banks in India and these make up the largest category in the Indian banking system. In one of the largest consolidations in the Indian banking industry, the Bank merged its five associate banks State Bank of Patiala, State Bank of Bikaner and Jaipur, State Bank of Raipur, State Bank of Travancore, State Bank of Hyderabad as well as Bhartiya Mahila Bank ("BMB") with itself. The merger was effective from April 1, 2019. In fiscal 2019, the ownership of a public sector bank, IDBI Bank, was acquired by LIC, following which IDBI Bank was reclassified as a private sector bank by the RBI.

During the Fiscal Year ended March 31, 2020, 10 of the Public Sector Banks were merged into 4 entities. These included the merger of United Bank of India and Oriental Bank of Commerce with Punjab National Bank, Syndicate Bank merger with Canara Bank, Allahabad Bank merger with Indian Bank and merger of Andhra Bank and Corporation Bank with Union Bank of India.

Regional rural banks were established from 1976 to 1987 by the central government, state governments and sponsoring commercial banks jointly with a view to develop the rural economy. Regional rural banks provide credit to small farmers, artisans, small entrepreneurs and agricultural laborers. The National Bank for Agriculture and Rural Development is responsible for supervising the functions of the regional rural banks. As at March 31, 2025, there were 43 regional rural banks.

Private Sector Banks

Most large banks in India were nationalized in 1969, resulting in public sector banks making up the largest portion of Indian banking. The Government's focus on public sector banks was maintained throughout the 1970s and 1980s. In addition, existing private sector banks that showed signs of an eventual default were merged with state-owned banks. In July 1993, as part of the banking reform process and as a measure to induce competition in the banking sector, the RBI permitted entry of the private sector into the banking system. This resulted in the introduction of private sector banks. These banks are collectively known as the "new" private sector banks. As at March 31, 2025 there were a total of 21 private banks and private sector banks.

Foreign Banks

As at March 31, 2025, there are 44 foreign banks operating in India. The primary activity of most foreign banks in India has been in the corporate segment. However, some of the larger foreign banks have made retail banking a significant part of their portfolios. Most foreign banks operate in India through branches of the parent

bank. Certain foreign banks also have wholly owned non-banking financial company subsidiaries or joint ventures for both corporate and retail lending.

Co-operative Banks

Cooperative banks cater to the financing needs of agriculture, small industry and self-employed businessmen in urban and semi-urban areas of India. The state land development banks and the primary land development banks provide long-term credit for agriculture. In response to liquidity and insolvency problems experienced by some cooperative banks in fiscal 2001, the RBI undertook several interim measures, pending formal legislative changes, including measures relating to lending against shares, borrowing in the call market and term deposits placed with other urban cooperative banks. Currently, the RBI is responsible for the supervision and regulation of urban cooperative banks, and NABARD for state co-operative banks and district central cooperative banks.

Urban cooperative banks that fulfil certain eligibility criteria are allowed direct access to the negotiated dealing system order matching, subject to obtaining prior approval from the RBI. This helps deepen the bond market by increasing the number of participants.

Long-Term Lending Institutions

The long-term lending institutions were established to provide medium-term and long-term financial assistance to various industries for setting up new projects and for the expansion and modernization of existing facilities. These institutions provided fund-based and non-fund-based assistance to industry in the form of loans, underwriting, direct subscription to shares, debentures and guarantees. The primary long-term lending institutions included Industrial Development Bank of India (now IDBI Bank), IFCI Limited, the Industrial Investment Bank of India and ICICI prior to its amalgamation with ICICI Bank Limited.

The National Bank for Financing Infrastructure and Development Act, 2021 was introduced by the Hon'ble Finance Minister on March 22, 2021, marking a significant shift in the approach to infrastructure financing in India, as it denotes the return of Development Financial Institutions in the country after a few decades. The Act subsequently received the assent of the President on March 28, 2021 and has come into force effective April 19, 2021. RBI vide its letter dated March 8, 2022 has advised that NaBFID shall be regulated and supervised by RBI as an All India Financial Institution (“AIFI”) under sections 45L and 45N of the RBI Act, 1934, respectively.

The 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 the 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 industry, the reform process required such institutions to expand the scope of their business activities, including into:

- fee-based activities such as investment banking and advisory services; and
- short-term lending activity, including making corporate finance and working capital loans.

The long-term funding needs of Indian companies are now primarily met by banks, Life Insurance Corporation of India and specialized non-banking financial companies such as Infrastructure Development Finance Corporation. Indian banking companies also make bond issuances to institutional and retail investors.

Non-Banking Financial Companies

There were 9,291 non-banking financial companies in India as of December 31, 2024, mostly in the private sector. All non-banking financial companies are required to register with the RBI. The non-banking

financial companies may be categorized into entities which take public deposits and those which do not. The companies which take public deposits are subject to strict supervision and the capital adequacy requirements of the RBI. The RBI classifies non-banking financial companies into three categories: asset finance companies, loan companies and investment companies. In February 2010, the RBI introduced a fourth category of non-banking financial company called infrastructure finance companies and followed up in December 2011 with the announcement of a separate category of non-banking financial company — microfinance institutions. The primary activities of the non-banking financial companies are providing consumer credit, including automobile finance, home finance and consumer durable products finance, wholesale finance products such as bill discounting for small and medium companies and infrastructure finance, and fee-based services such as investment banking and underwriting.

Housing Finance Companies

Housing finance companies form a distinct sub-group of non-banking financial companies. As a result of the various incentives given by the Government for investing in the housing sector in recent years, the scope of this business has grown substantially. Housing Development Finance Corporation Limited is a leading provider of housing finance in India. In recent years, several other players, including banks, have entered the housing finance industry. The National Housing Bank and Housing and Urban Development Corporation Limited are the two major financial institutions instituted through acts of Parliament to improve the availability of housing finance in India. The National Housing Bank Act provides for securitization of housing loans, foreclosure of mortgages and setting-up of the Mortgage Credit Guarantee Scheme.

Microfinance Institutions

Microfinance institutions also form a distinct sub-group of non-banking financial companies. They focus on providing access to small-scale financial services, especially to the poor. Microfinance institutions differ from other financial services 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.

Other Financial Institutions

Specialized Financial Institutions

In addition to the long-term lending institutions, there are various specialized financial institutions which cater to the specific needs of different sectors. These include NABARD, Export Import Bank of India, Small Industries Development Bank of India, Risk Capital and Technology Finance Corporation Limited, Tourism Finance Corporation of India Limited, National Housing Bank, Power Finance Corporation Limited, Infrastructure Development Finance Corporation Limited, Industrial Investment Bank of India, North Eastern Development Finance Corporation and India Infrastructure Finance Company.

State-level Financial Institutions

State financial corporations operate at the state level and form an integral part of the institutional financing system. State financial corporations were set up to finance and promote SMEs. The state financial institutions are expected to achieve balanced regional socio-economic growth by generating employment opportunities and widening the ownership base of industry. At the state level, there are also state industrial development corporations, which provide finance primarily to medium-sized and large enterprises.

Small Finance Banks and Payment Banks

The RBI on July 17, 2014, issued draft guidelines for the licensing of payment banks and on November 27, 2014 issued guidelines for small finance banks in the private sector. The primary objective of setting up the payment banks and small finance banks was to further financial inclusion by providing (i) small savings accounts and (ii) payments/remittance services to a migrant labor workforce, low income households, small businesses, other unorganized sector entities and other users, by enabling high-volume low-value transactions in deposits and payments/remittance services in a secured technology driven environment. As at the date of this Offering Circular, there are 6 payment banks and 11 small finance banks.

Insurance Companies

As of March 31, 2025, there are 56 insurers operating in India; of which 26 are life insurers, 27 are general insurers, 7 standalone health insurers and 3 re-insurance company. The only reinsurance company is the General Insurance Corporation of India, which operates in the public sector. Life Insurance Corporation of India, General Insurance Corporation of India and public sector general insurance companies also provide long-term financial assistance to the industrial sector.

The insurance sector in India is regulated by the Insurance Regulatory and Development Authority. 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.

In its monetary and credit policy for fiscal 2001, the RBI issued guidelines governing the entry of banks and financial institutions into the insurance business. The guidelines permit banks and financial institutions to enter the business of insurance underwriting through joint ventures provided they meet stipulated criteria relating to their net worth, capital adequacy ratios, profitability track record, level of non-performing loans and the performance of their existing subsidiary companies.

Mutual Funds

The mutual fund industry in India started in 1963 with the formation of Unit Trust of India at the initiative of the Government and the RBI. From 1963 to 1987, Unit Trust of India was the only mutual fund operating in India. From 1987 onwards, several other public sector mutual funds entered this sector. These mutual funds were established by public sector banks, LIC and General Insurance Corporation of India. The mutual funds industry was opened up to the private sector in 1993. The industry is regulated by the SEBI (Mutual Fund) Regulations, 1996. The AUM of the Indian MF Industry has grown from ₹12.04 trillion as of May 31, 2015 to ₹72.20 trillion as of May 31, 2025 about 6 fold increase in a span of 10 years.

The Industry's AUM had crossed the milestone of ₹10 Trillion (₹10 Lakh Crore) for the first time in May 2014 and in a short span of about three years, the AUM size had increased more than two folds and crossed ₹ 20 trillion (₹20 Lakh Crore) for the first time in August 2017. The AUM size crossed ₹ 30 trillion (₹30 Lakh Crore) for the first time in November 2020. The Industry AUM stood at ₹72.20 Trillion (₹ 72.20 Lakh Crore) as of May 31, 2025.

Committee on Banking Sector Reform

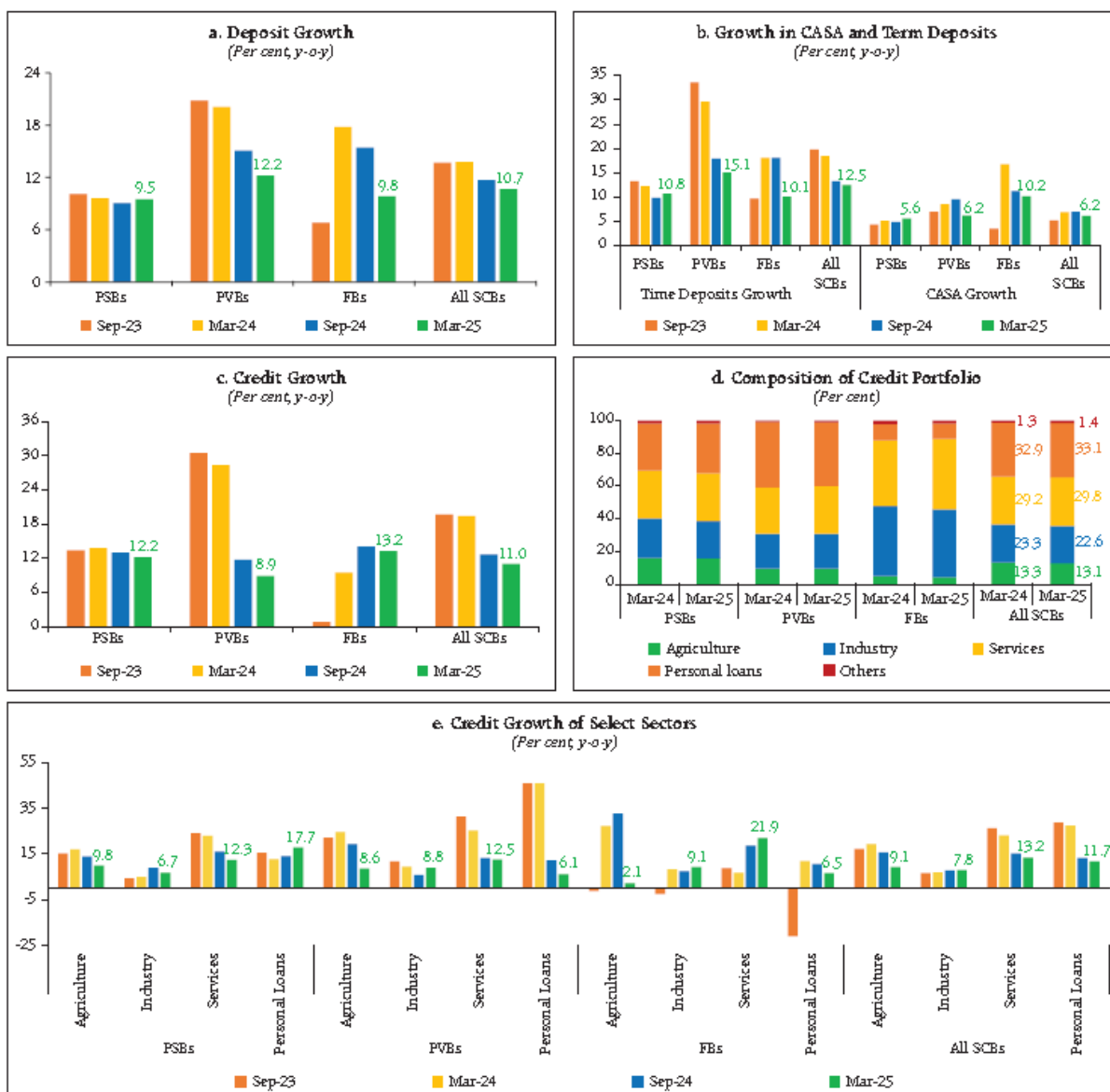
The second Committee on Banking Sector Reform ("**Narasimham Committee II**") submitted its report in April 1998. The major recommendations of the committee were in respect of capital adequacy requirements, asset classification and provisioning, risk management and merger policies. The RBI accepted and began implementing many of these recommendations in October 1998.

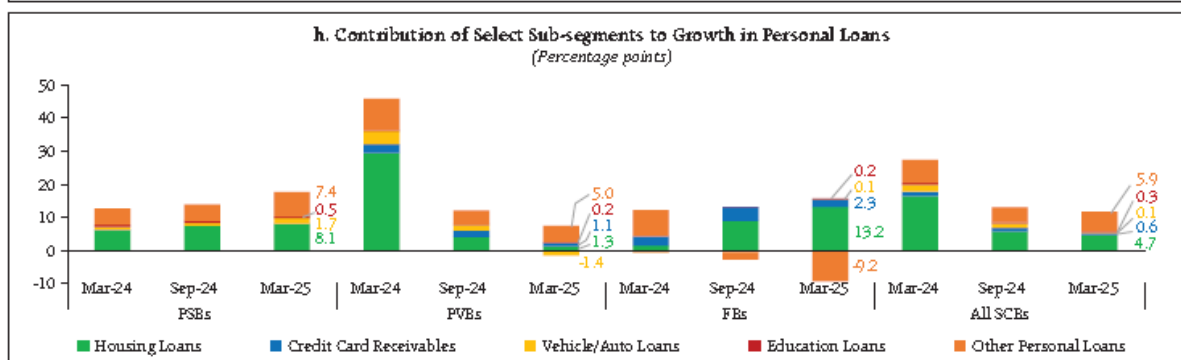
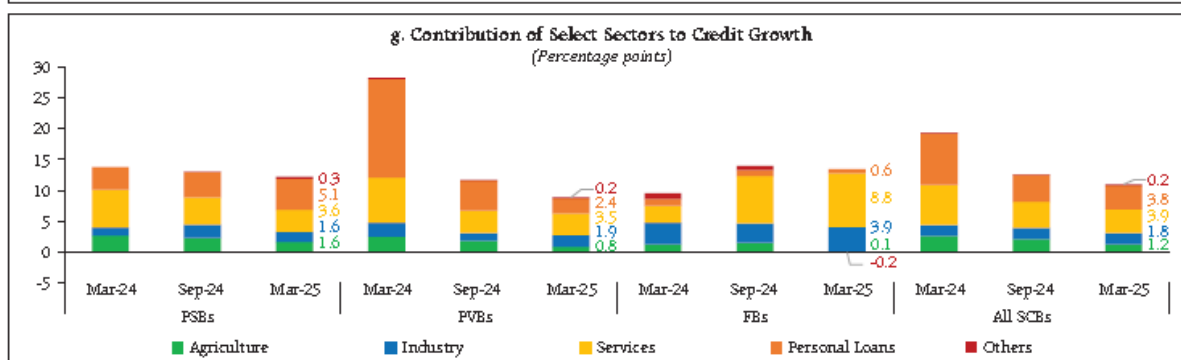
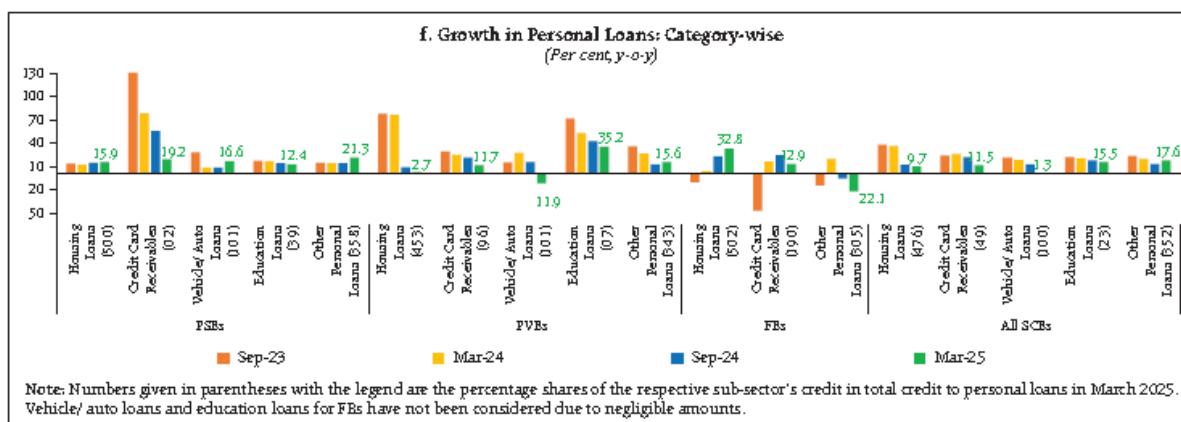
Banks implemented new prudential accounting norms for the classification of assets, income recognition and loan loss provisioning. Following the Bank for International Settlements guidelines, capital adequacy norms were also prescribed. To meet additional capital requirements, public sector banks were allowed to access the market for funds. Interest rates were deregulated, while the rate of directed lending was progressively reduced.

Commercial Banking Trends

Credit

SCBs' aggregate deposits grew at 10.7 per cent (y-o-y) during 2024-25, 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. SCBs' credit growth decelerated in 2024-25 across bank groups. Credit growth of public sector banks (PSBs) outpaced that of PVBs during the year, after more than a decade. 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 segment recorded broad-based deceleration in y-o-y growth, barring an uptick in the growth of other personal loans. Personal loans and services loans continued to remain the top two contributors to the overall credit growth of SCBs. Within personal loans, other personal loans have been the standout contributor, followed by housing loans.

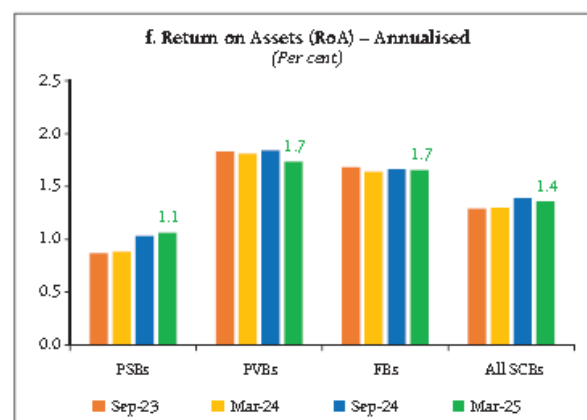
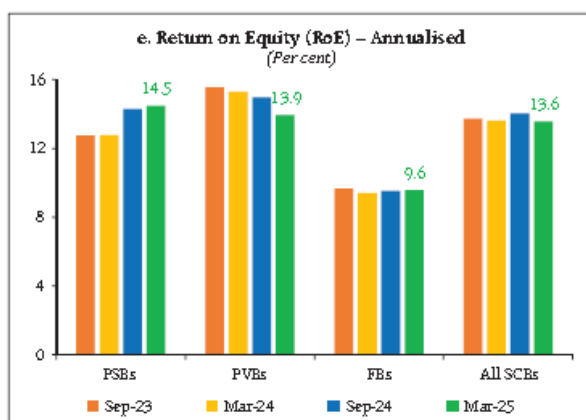
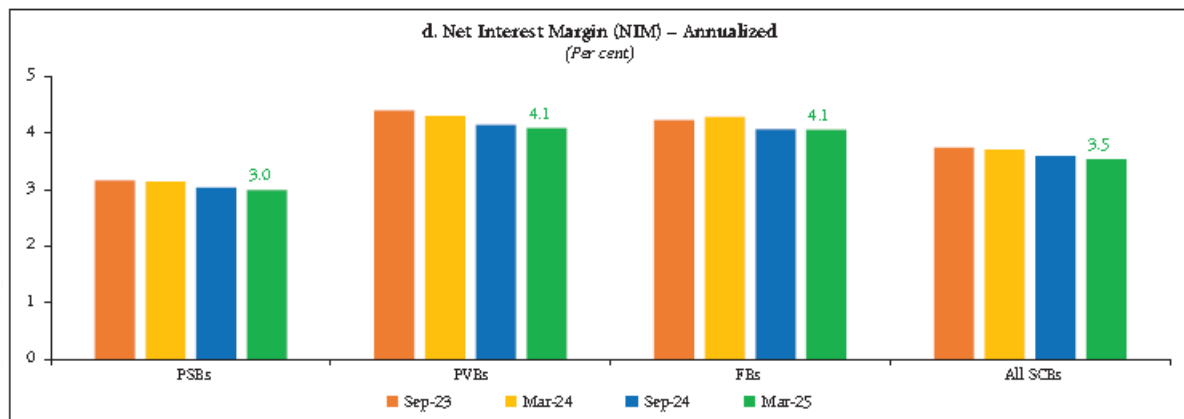
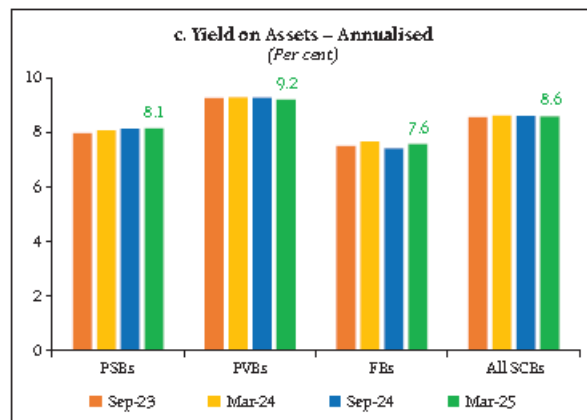
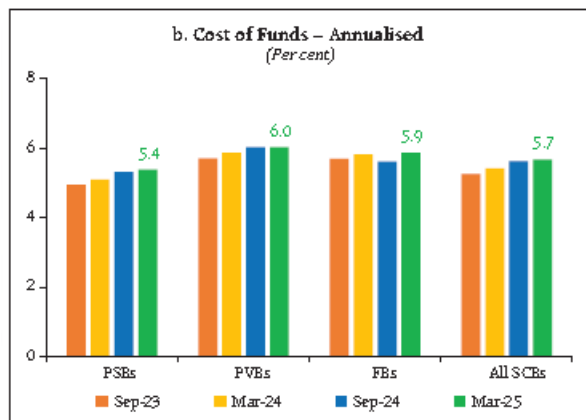
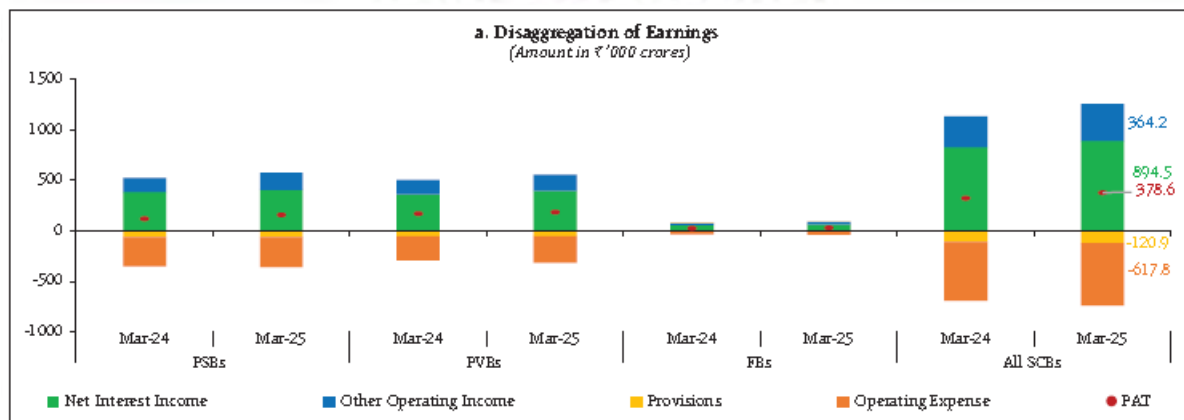




Earnings and Profitability

The profitability of SCBs remained strong in 2024-25, with profit after tax (PAT) increasing by 16.9 per cent (y-o-y). PAT of PSBs recorded a robust growth of 31.8 per cent, compared to much lower growth (9.2 per cent) 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.

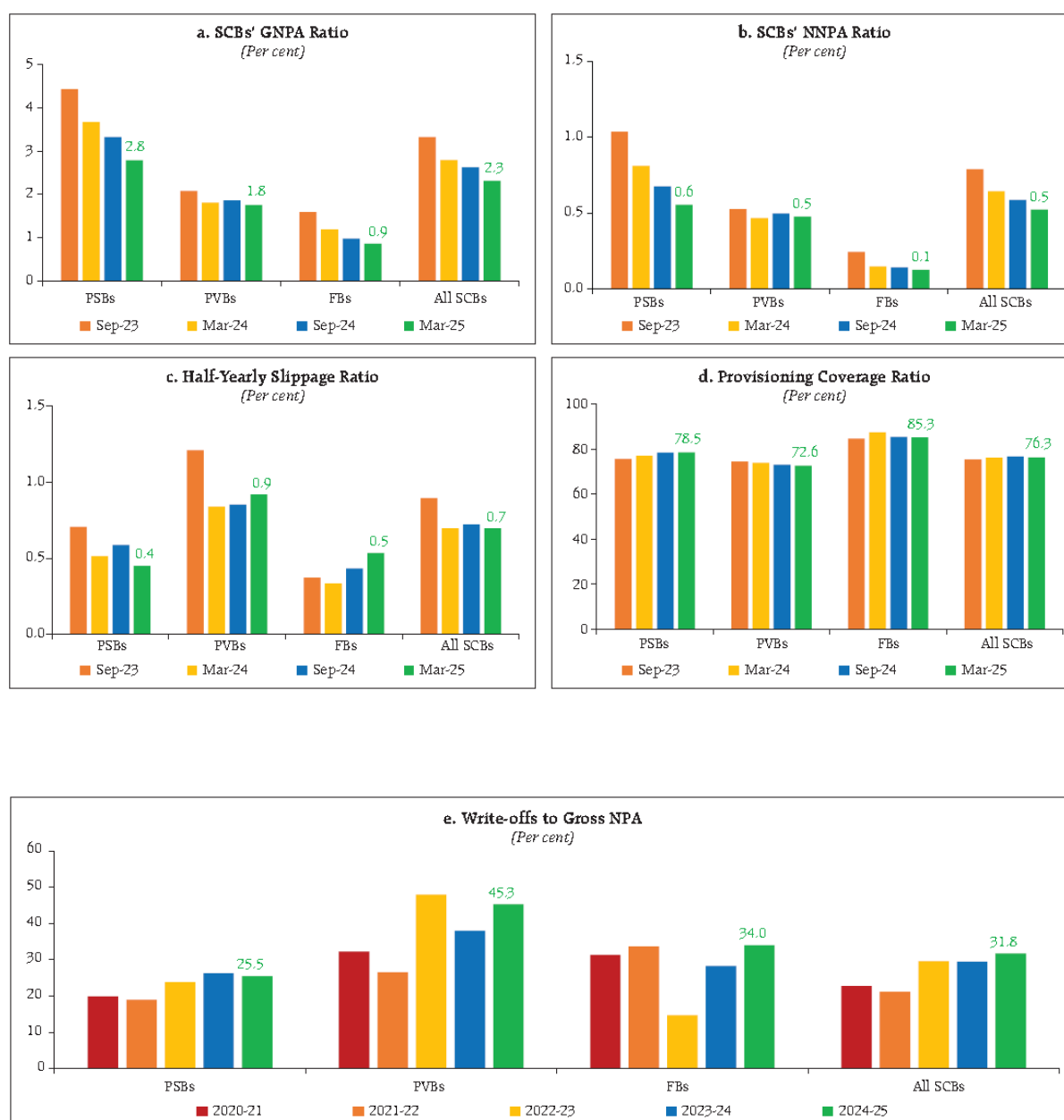
Net interest margin (NIM) declined driven by cost of funds even as yield on assets has remained stable. Both return on equity (RoE) and return on assets (RoA) ratios have declined in March 2025.



Asset quality

SCBs continued to record improvement in their asset quality, with the GNPA ratio and NNPA ratio declining to multi-decadal lows of 2.3 per cent and 0.5 per cent, 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 per cent. The provisioning coverage ratio (PCR) of SCBs at 76.3 per cent 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 per cent in 2024-25 from 29.5 per cent 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-offs⁸ were a major component of NPA reduction over the last 5 years.

Source: RBI Financial Stability Report, June 2025



Recent Structural Reforms

Prudential Framework for Resolution of Stressed Assets

The RBI issued the Master Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances on April 1, 2025 (the “**Master Circular**”), which *inter alia* consolidates the Prudential Framework for Resolution of Stressed Assets dated June 7, 2019.

The provisions of the Master Circular apply to all commercial banks.

Purpose:

- (a) These directions were issued with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets; and
- (b) These directions were issued without prejudice to issuance of specific directions, from time to time, by the Reserve Bank to banks, in terms of the provisions of Section 35AA of the Banking Regulation Act for initiation of insolvency proceedings against specific borrowers under the Insolvency and Bankruptcy Code, 2016 (“**IBC**”).

Early identification and reporting of stress

Lenders shall recognize incipient stress in loan accounts, immediately on default, by classifying such 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

In the case of revolving credit facilities like cash credit, the SMA sub-categories will be as follows:

SMA Sub-categories	Basis for classification — Outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for a period of:
SMA-1.....	31-60 days
SMA-2.....	61-90 days

Timeline for implementation of viable resolution plan	Additional provisions to be made as a percentage of total outstanding, if resolution plan not implemented within the timeline
180 days from the end of review period	20%

365 days from the commencement of review period

15% (i.e. total additional provisioning of 35%)

National Asset Reconstruction Company Limited (“NARCL”)

In the Union Budget for 2021-2022, the Government announced a proposal for setting up NARCL, popularly termed as a “bad bank”, to consolidate and take over stressed debt from banks, based on decided characteristics. The aggregation of assets is expected to assist in turning around the assets and eventually offloading them to AIFs and other potential investors for further value unlocking. Drawing from established market principles and global experience, the success of a bad bank initiative would eventually depend upon design aspects, viz., fair pricing; complete segregation of risk from selling banks; investment of external capital; independent and professional management of the new entity; minimizing moral hazard; and adequate capitalization of the banks post-sale of assets to invigorate fresh lending.

Base Rate System

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. 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.

Following the introduction of an external benchmark system, the monetary policy transmission has improved in respect of the sectors where new floating rate loans have been linked to external benchmarks. With a view to further strengthening monetary policy transmission, it has been decided that all new floating rate loans to medium-sized enterprises extended by banks from April 1, 2020, shall be linked to the external benchmarks.

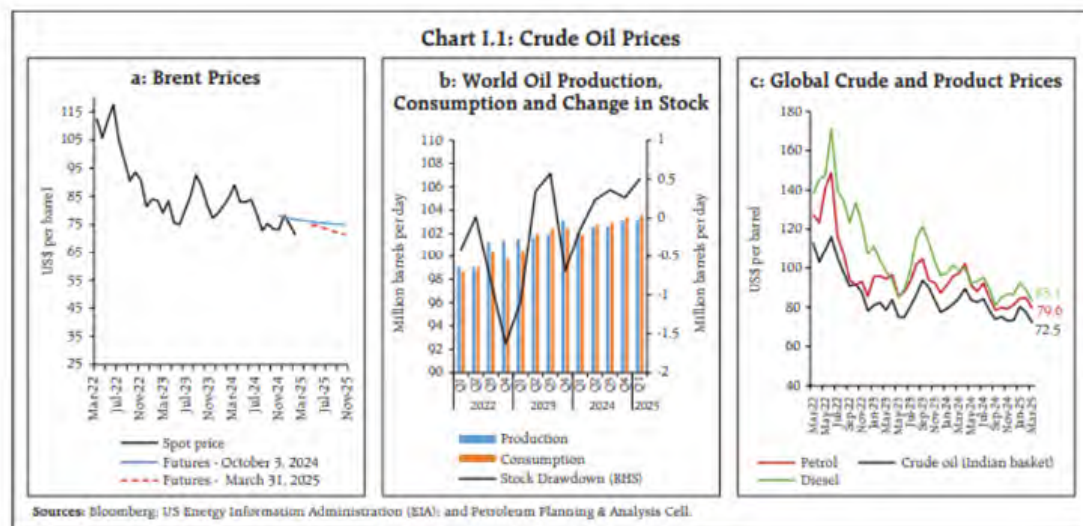
RBI Monetary Policy Report and Monetary Policy Committee (“MPC”) discussion

The RBI issues half yearly Monetary Policy Statement setting out its monetary policy stance and announcing various regulatory measures. The MPC of the RBI is responsible for taking the important monetary policy decisions including, that of setting key policy rates. The MPC meets monthly. Key highlights of the Monetary Policy Report released in April 2025 and excerpts from the meeting conducted in June 2024 of the committee are provided below:

Economic Outlook:

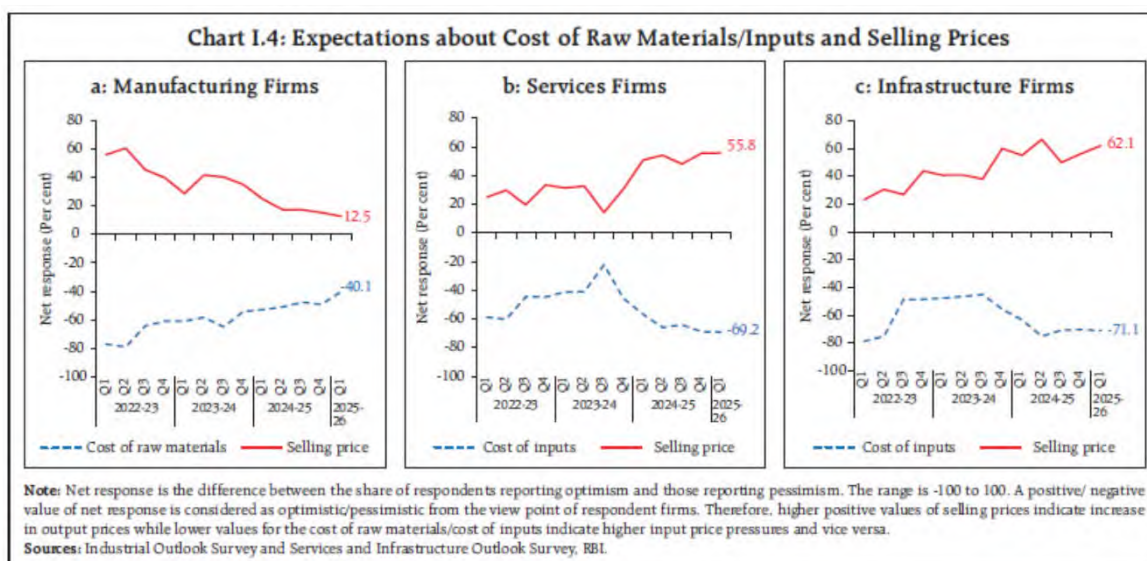
Global economic activity has remained resilient in 2024 although below historical average, with high frequency indicators hinting at slowdown in growth momentum in 2025. Escalating trade tensions led by a slew of tariff impositions impart uncertainty to the growth outlook. Headline inflation though decelerating, has remained above the target in many economies owing to the lacklustre and uneven pace of disinflation. The decline in headline inflation on account of subdued core inflation (i.e., CPI excluding food and fuel) augurs well, although persistent high services inflation weighs heavily on the outlook. The divergence in monetary policy pathways across countries has continued. As compared to the highly synchronous tightening phase, there is now a hesitant and guarded rate cut cycle under progress. Financial markets have been on edge due to shifting expectations of monetary policy and fears of tariff wars. Geopolitical uncertainties, ratcheting up of trade tensions and withdrawal of portfolio investors caused retreat in equities from the highs in January 2025. The sell off further intensified since March due to fears of trade war. Sovereign bond yields in advanced economies (AEs) hardened in Q4:2024 but have softened thereafter due to growth slowdown concerns. Gold prices continued to strengthen and reached new heights every month in 2025 till March. The US dollar index firmed in Q4:2024 due to delayed expectations of rate easing by the US Federal Reserve and anticipated policies of

the new US administration but has retreated since mid-January 2025 amidst weaker growth expectations and heightened trade policy uncertainty.



Inflation Outlook

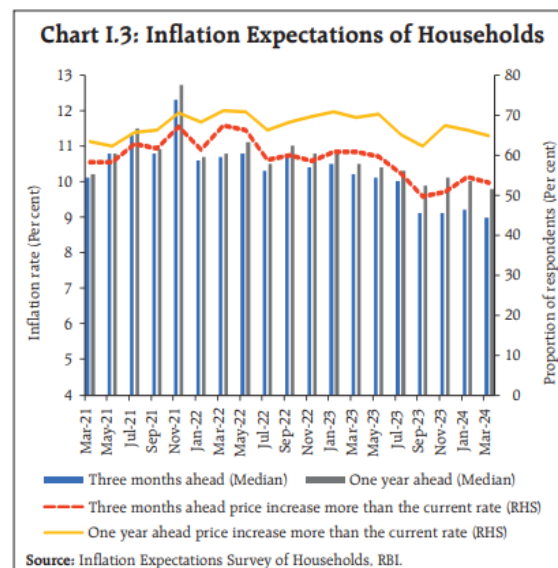
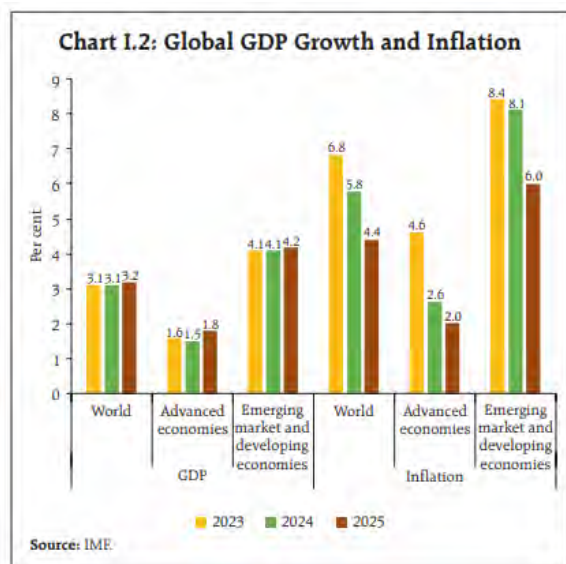
In H2:2024-25 so far (up to February), headline inflation breached the upper tolerance band briefly in October 2024, but has since eased on the back of declining food inflation. In March 2025, round of the Reserve Bank’s households survey, the three months and one year ahead inflation expectations of urban households decreased by 40 bps and 50 bps, reaching 8.9 per cent and 9.7 per cent, respectively, as compared to the January 2025 round. The proportion of respondents expecting the general price level to increase by more than the current rate declined for both horizons vis-à-vis the previous round (Chart I.3). In this context, it is pertinent to note that various economic agents form their inflation expectations based on different factors. Manufacturing firms polled in the January-March 2025 round of the Reserve Bank’s industrial outlook survey expect pressures from cost of raw materials to ease and growth in selling price to moderate in Q1:2025-26 vis-à-vis the previous quarter (Chart I.4a). Both services sector companies and infrastructure firms expect higher input cost pressures and higher output prices in Q1:2025-26 (Charts I.4b and I.4c). In the Purchasing Managers Index (“PMI”) surveys for March 2025, input prices increased for manufacturing firms and declined for services firms vis-à-vis the previous month while output prices declined for both. Professional forecasters surveyed by the Reserve Bank in March 2025 projected CPI inflation to decline from 5.6 per cent in Q3:2024-25 to 3.9 per cent in Q4. They expect it to remain around 3.9-4.0 per cent till Q3 of 2025-26 before increasing to 4.5 per cent in Q4:2025-26 (Chart I.5a and Table I.3).



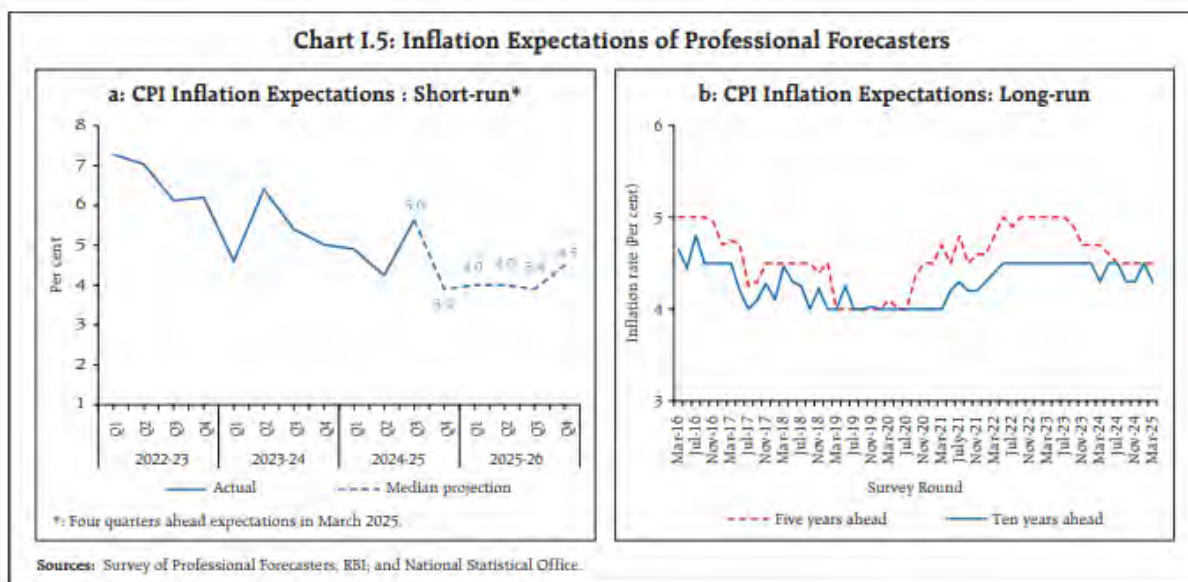
Core inflation (i.e., CPI excluding food and beverages, pan, tobacco and intoxicants, and fuel and light) is expected to be at 4.0 per cent during Q4:2024-25, thereafter, it is expected to remain around 4.2-4.3 per cent till Q3:2025-26 and at 4.5 per cent in Q4. Long-run inflation expectations of professional forecasters, measured by their 5 and 10 years ahead expectations, are at 4.5 per cent and 4.3 per cent, respectively, in the current round (Chart 1.5 b). Looking ahead, the inflation outlook will be conditioned by several factors, both global and domestic. Food inflation may continue to ease due to robust kharif harvest arrivals which, coupled with promising rabi crop, bode well for inflation outlook. The Union Budget proposals on agriculture and the commitment to fiscal consolidation further strengthens the inflation outlook. However, lingering uncertainty in

global financial markets, volatility in energy prices, adverse weather events, rising global supply chain pressures and continuing geopolitical strife remain key risks.

Growth Outlook

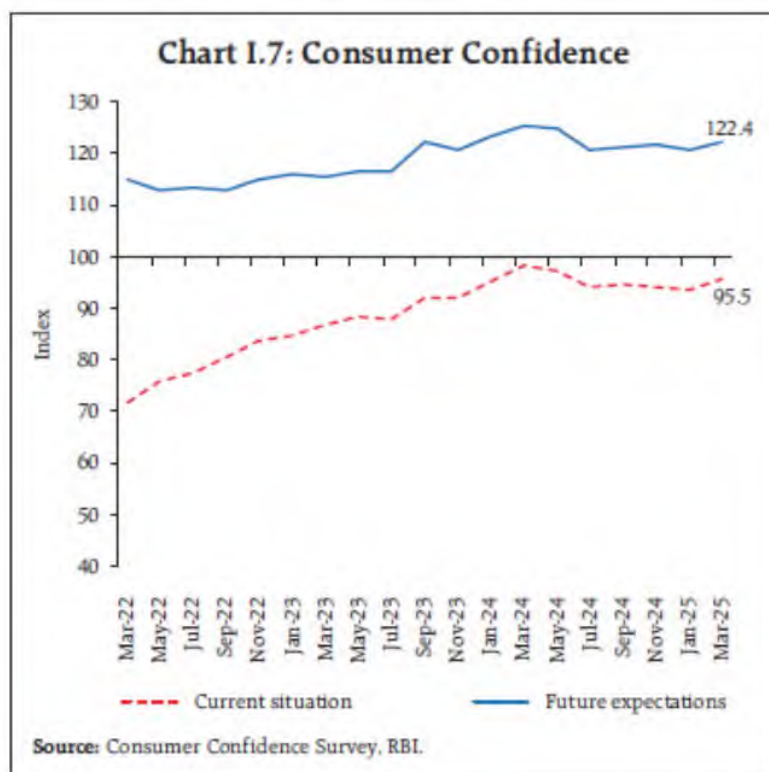


Domestic economic activity remains strong supported by revival in consumption as well as government's capex push. Pick up in private consumption, upturn in agricultural activity, continuing resilience of the services sector, high capacity utilisation, healthy balance sheets of banks and corporates, and government's continued thrust on



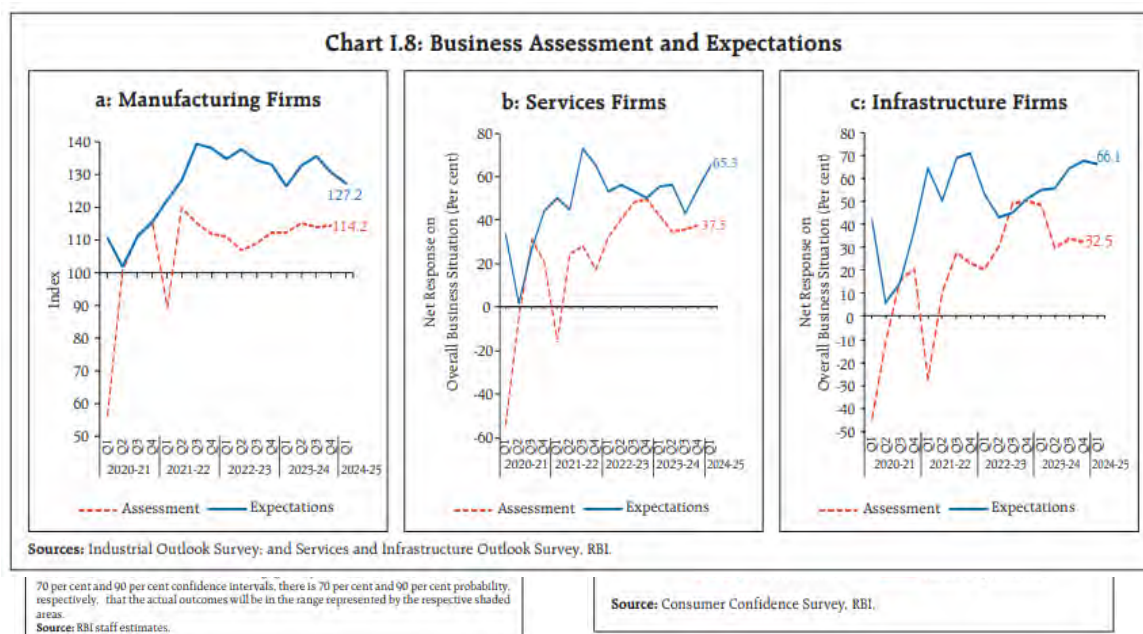
capital expenditure augur well for the growth outlook. Uncertainty about global trade owing to rising protectionist measures, persistent geopolitical tensions, rising supply chain pressures, and volatile global financial conditions, however, render the outlook uncertain. Turning to the key messages from forward-looking surveys, consumer confidence (the current situation index) improved in the pessimistic territory in March 2025 vis-à-vis the previous round, driven by improved sentiments across all survey parameters. Consumers' optimism

for the year ahead, measured by the future expectations index, strengthened further and maintained its resilience in the optimistic territory(Chart I.7).

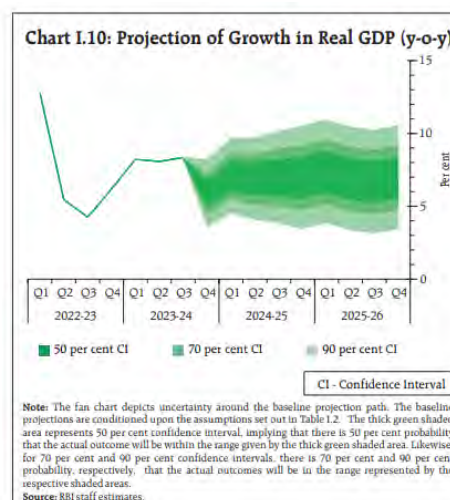
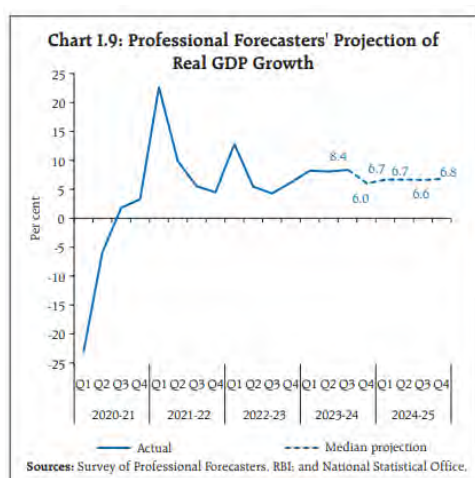


Reserve Bank's industrial outlook survey results reveal that business optimism in the manufacturing sector for Q1:2025-26 moderated marginally, which is partly seasonal (Chart I.8a). The services and infrastructure companies, on the other hand, remained optimistic about the overall business situation in Q1:2025-26 (Charts I.8b and I.8c). Recent surveys by other agencies indicate a mixed picture on business expectations relative to the previous round (Table I.4). In the PMI surveys for March 2025, manufacturing firms remained upbeat about the year ahead though sentiments moderated for services firms.

Professional forecasters polled in the March 2025 round of the Reserve Bank's survey expected real GDP growth at 7.0 per cent during the last quarter of 2024-25. Growth is expected at 6.5-6.7 per cent during Q1-Q4:2025-26 (Chart I.9 and Table I.3).



Real GDP growth was higher at 6.2 per cent in Q3:2024-25 as compared with 5.6 per cent in Q2. Taking into account the baseline assumptions, survey indicators and model forecasts, real GDP growth is expected at 6.5 per cent in 2025-26 – 6.5 per cent in Q1; 6.7 per cent in Q2; 6.6 per cent in Q3 and 6.3 per cent in Q4 – with risks evenly balanced around this baseline path (Chart I.10 and Table I.3). Assuming a normal monsoon and no major exogenous or policy shocks, structural model estimates for 2026-27 indicate real GDP growth at 6.7 per cent, with Q1 at 6.5 per cent, Q2 at 6.4 per cent, Q3 at 6.8 per cent and Q4 at 6.8 per cent. There are upside and downside risks to this baseline growth path. The upside risks emanate from revival in corporate investment cycle; improving business sentiments; faster global disinflation; quick resolution of global trade related issues; continued softening of global commodity prices; and an early resolution of the geopolitical conflicts. On the contrary, increasing trade fragmentation due to protectionist policies including higher tariffs; further escalation in geopolitical tensions; volatility in international financial markets; frequent weather-related disturbances; and supply chain disruptions pose downside risks to the baseline growth path.



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Monetary Policy Statement for meeting in June 2025

On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) at its meeting (from June 4 to June 6, 2025) decided to:

- Policy repo rate is being reduced by 50 basis points (bps) to 5.50 per cent with immediate effect.
- There will be consequent adjustment of the Standing Deposit Facility (SDF) rate under the Liquidity Adjustment Facility (“LAF”) to 5.25 per cent and of the Marginal Standing Facility (MSF) rate and the Bank Rate to 5.75 per cent.

With this decision RBI hopes to fulfil the objective of achieving the medium-term target for CPI inflation of 4 per cent within a band of +/- 2 per cent, while stepping up growth momentum.

Recent Developmental and Regulatory Policy Measures by the RBI

Set out below are various developmental and regulatory policy measures by RBI to improve the functioning of markets and market participants; measures to support exports and imports; efforts to further ease financial stress caused by COVID-19 disruptions by providing relief on debt servicing and improving access to working capital; and steps to ease financial constraints faced by state governments.

Liquidity measures by the RBI

- Introducing Standing Deposit Facility (“SDF”), to section 17 of the RBI Act empowered the RBI to introduce SDF an additional tool for absorbing liquidity without any collateral. By removing the binding collateral constraint on the RBI, the SDF strengthens the operating framework of monetary policy. The SDF is also a financial stability tool in addition to its role in liquidity management.

The RBI decided to institute the SDF with an interest rate of 3.75 per cent when it was first introduced. As per RBI notification dated June 30, 2025, the SDF rate and MSF rate stand adjusted to 5.25 per cent and 5.75 per cent respectively, with immediate effect. The SDF will replace the fixed rate reverse repo as the floor of the LAF corridor. Both the standing facilities viz., the MSF and the SDF are available on all days of the week, throughout the year.

- Restoration of the LAF. In 2020 during the pandemic, the width of the LAF corridor was widened to 90 basis points (“bps”) by asymmetric adjustments in the reverse repo rate *vis-à-vis* the policy repo rate.

With a view to fully restore the pre-pandemic liquidity management framework of February 2020 and in view of the gradual return to normalcy in financial markets, the RBI has decided to restore the width of the LAF corridor to its pre-pandemic level.

Recent changes in the Financial Markets regulations

- Framework on co-lending arrangements

The extant guidelines on co-lending are applicable only to arrangements between banks and NBFCs for priority sector loans. In light of the evolution of such lending practices, and the potential of such lending arrangements in catering to the credit needs of a wider segment in a sustainable manner, it has been decided to expand the scope for co-lending and issue a generic regulatory framework for all forms of co-lending arrangements among regulated entities and draft guidelines are being issued for public comments.

- Review of Guidelines for Lending against Gold Jewellery

Loans against the collateral of gold jewellery and ornaments are extended by regulated entities for both consumption and income-generation purposes. Prudential and conduct related regulations for such loans have been issued from time to time and they vary for different categories of regulated entities. With a view to harmonizing such regulations across regulated entities while keeping in view their risk-taking capabilities, and also to address a few concerns that have been observed, it has been decided to issue comprehensive regulations, on prudential norms and conduct related aspects, for such loans. The Reserve Bank of India (Lending Against Gold and Silver Collateral) Directions, 2025 were issued on June 6, 2025 and instructions therein are to be complied with by April 1, 2026.

- Voluntary Retention Route (“VRR”) – Enhancement of investment limits. The VRR for investment in government and corporate debt securities by Foreign Portfolio Investors (“FPIs”) was introduced on March 1, 2019 with a view to facilitating stable investments in debt instruments issued in the country.

The Route sought to provide a separate channel, broadly free of macro-prudential controls, to FPIs with long-term investment horizons. A dedicated investment limit of ₹150,000 crore was set for investments under the VRR. Given the positive response to the VRR as evident from the near exhaustion of the current limit, the RBI has increased the investment limit under VRR by ₹100,000 crore to ₹250,000 crore with effect from April 1, 2022. The provisions in relation to VRR and the relevant limits are provided under the Master Direction - Reserve Bank of India (Non-resident Investment in Debt Instruments) Directions, 2025.

- Revised Credit Default Swaps guidelines

Guidelines for Credit Default Swaps (“CDS”) were last issued in January 2013. Given the importance of the CDS market for the development of a liquid market for corporate bonds, especially for the bonds of lower rated issuers, it was announced that these guidelines would be reviewed. Accordingly, draft guidelines were issued on for public consultation. Taking into account the feedback received, the final Directions were issued on February 10, 2022, under the Master Direction – Reserve Bank of India (Credit Derivatives) Directions, 2022.

- Reserve Bank of India (Project Finance) Directions, 2025

The directions were issued on June 19, 2025, to unify various lending rules across the banks, NBFCs, cooperative banks, and financial institutions. These directions aim to recognise the risks and structure of project finance addressing both infrastructure and non-infrastructure sectors, including Commercial Real Estate (CRE) and CRE-Residential Housing.

Developmental and regulatory policy measures relating to regulation and supervision

- Infusion of Capital in Overseas Branches and Subsidiaries of Banks and Retention/Repatriation/Transfer of Profits by these entities

Banks incorporated in India currently seek prior approval of RBI for infusing capital in their overseas branches and subsidiaries as well as for retention and repatriation/transfer of profits from these centres. On a review, and with a view to provide operational flexibility to banks, it was decided that banks meeting the regulatory capital requirements may, with the approval of their Boards, infuse capital in their overseas branches and subsidiaries; retain profits in these centres; and repatriate/transfer profits therefrom, without prior approval of RBI, subject to post facto reporting. The instructions in this regard are being issued separately.

- SLR Holdings in HTM category

The Reserve Bank had increased the limits under Held to Maturity (“HTM”) category from 19.5 per cent to 22 per cent of NDTL in respect of SLR eligible securities acquired on or after September 1, 2020, up to March 31, 2022.

This dispensation of enhancement in HTM limit was made available up to March 31, 2023. With a view to enable banks to better manage their investment portfolio in FY 2022-2023, it has now been decided to enhance the limit for inclusion of SLR eligible securities in the HTM category to 23 per cent of NDTL and allow the banks to include securities acquired between April 1, 2022 and March 31, 2023 under the enhanced limit of 23 per cent.

The HTM limits would be restored from 23 per cent to 19.5 per cent in a phased manner starting from the quarter ending June 30, 2023.

- Individual Housing Loans – Rationalization of Risk Weights

The Reserve Bank vide circular dated October 12, 2020 had rationalized the risk weights for individual housing loans by linking them only with loan to value (“LTV”) ratios for all new housing loans sanctioned up to March 31, 2022.

Recognising the importance of the housing sector, its multiplier effects and its role in supporting the overall credit growth, it has been decided that the risk weights as prescribed in the circular ibid shall continue for all new housing loans sanctioned up to March 31, 2023.

- Individual Housing Loans by Cooperative Banks – Enhancement in Limits

Extant guidelines prescribe prudential limits on the amount of individual housing loans that can be extended by Primary (“Urban”) Co-operative Banks (“UCBs”), and Rural Cooperative Banks (“RCBs - State Cooperative Banks and District Central Cooperative Banks”) to their customers.

These limits were last revised for UCBs in 2011 and for RCBs in 2009. Taking into account the increase in housing prices since the limits were last revised and considering the customer needs, it has been decided to increase the existing limits on individual housing loans by cooperative banks.

Accordingly, the limits for Tier I /Tier II-IV UCBs have been revised from ₹30 lakh/ ₹70 lakh to ₹60 lakh/ ₹140 lakh, respectively. As regards RCBs, the limits shall increase from ₹20 lakh to ₹50 lakh for RCBs with assessed net worth less than ₹100 crore; and from ₹30 lakh to ₹75 lakh for other RCBs.

The Statement on Developmental and Regulatory Policies issued by RBI (pursuant to press release dated February 7, 2025) sets out various developmental and regulatory policy measures relating to (i) Financial Markets; (ii) Cybersecurity; and (iii) Payment Systems.

(I) Financial Markets

Introduction of forward contracts in Government securities

Over the past few years, the Reserve Bank has been expanding the suite of interest rate derivative products available to market participants to manage their interest rate risks. In addition to Interest Rate Swaps, products such as Interest Rate Options, Interest Rate Futures, Interest Rate Swaptions, Forward Rate Agreements, etc. are available to market participants. We have been receiving feedback about the need to allow forward contracts in Government securities to enable further market development. Such forward contracts will enable long-term investors such as insurance funds to manage their interest rate risk across interest rate cycles. They will also enable efficient pricing of derivatives that use bonds as underlying instruments. Draft directions in this regard were issued in December 2023. The final directions, taking into account the public feedback, will be issued shortly.

Access of SEBI-registered non-bank brokers to NDS-OM

The Negotiated Dealing System – Order Matching (NDS-OM) is an electronic trading platform for secondary market transactions in government securities. Access to NDS-OM is, at present, available to regulated entities and to the clients of banks and standalone primary dealers. With a view to widening access, it has been decided that non-bank brokers registered with SEBI can directly access NDS-OM, on behalf of their clients. These brokers may access NDS-OM subject to the regulations and conditions laid down by the Reserve Bank in this regard. Necessary instructions are being issued separately.

Comprehensive review of trading and settlement timings across various market segments

Synchronized and complementary market and settlement timings across various financial market segments can facilitate benefits of efficient price discovery and optimization of the liquidity requirements. Over the last few years, there have been several developments including increased electronification of trading, availability of forex and certain interest rate derivative markets on a 24X5 basis, increased participation of non-residents in domestic financial markets and availability of payment systems on a 24X7 basis. Accordingly, it has been decided to set up a working group with representation from various stakeholders to undertake a comprehensive review of trading and settlement timing of financial markets regulated by the Reserve Bank. The Group is expected to submit its report by April 30, 2025.

(II) Cybersecurity

Enhancing Trust in the Financial Sector through 'bank.in' and 'fin.in' domains

Increased instances of fraud in digital payments are a significant concern. To combat the same, the Reserve Bank of India (RBI) is introducing the 'bank.in' exclusive Internet Domain for Indian banks. This initiative aims to reduce cyber security threats and malicious activities like phishing; and, streamline secure financial services, thereby enhancing trust in digital banking and payment services. The Institute for Development and Research in Banking' Technology (IDRBT) will act as the exclusive registrar. The actual registrations will commence from April 2025. Detailed guidelines for banks will be issued separately. Going forward, it is planned to have an exclusive domain viz., "fin.in" for other non-bank entities in the financial sector.

(III) Payment Systems

Enabling Additional Factor of authentication in cross-border Card Not Present transactions

Introduction of Additional Factor of Authentication (AFA) for digital payments has enhanced the safety of transactions which, in turn, provided confidence to customers to adopt digital payments. This requirement, however, is mandatory for domestic transactions only.

In order to provide a similar level of safety for online international transactions using cards issued in India, it is proposed to enable AFA for international card not present (online) transactions as well. This will provide an additional layer of security in cases where the overseas merchant is enabled for AFA. Draft circular will be issued shortly for feedback from stakeholders.

(Source: Statement on Developmental and Regulatory Policies for the months February 2025)

Guidelines on Liquidity Risk Management and Basel III Framework on Liquidity Standards

To address the deficiencies witnessed in liquidity risk management in the recent crisis and to strengthen liquidity risk management in banks, the Basel Committee on Banking Supervision ("BCBS") published "Principles for Sound Liquidity Risk Management and Supervision" in September 2008. This was followed by the publication of "Basel III: International Framework for Liquidity Risk Measurement, Standards and Monitoring" in December 2010, i.e. the Basel III rules text on liquidity prescribing two minimum global regulatory standards, namely the LCR and the net stable funding ratio for liquidity risk and a set of five monitoring tools.

In accordance with this, the RBI, being a member of the BCBS, released draft guidelines "Liquidity Risk Management and Basel III Framework on Liquidity Standards" in February 2012. The final guidelines on Basel III capital regulations were issued on May 2, 2012.

Compliance with Basel II and Basel III Requirements

In April 2011, the RBI issued guidelines to banks in relation to moving towards the "Advanced Measurement Approach" ("AMA") for computing capital for operational risk. According to the AMA guidelines, banks are required to submit their letter of intent to migrate to the AMA followed by a detailed application to the RBI for migrating to the advanced measurement approach. The Bank had submitted its letter of intent for migration to the AMA in September 2012. On the basis of the RBI's permission, the Bank had made its final application for moving to the AMA in September 2014. The RBI had undertaken an offsite and onsite assessment of the Bank's preparedness and had granted approval to the Bank to migrate to the AMA on a parallel run basis in June 2015.

In April 2010 and March 2012, the RBI issued guidelines relating to switching over to (i) the "Internal Model Approach" for computing capital for market risk and (ii) the "Internal Ratings-Based Approach" ("IRB") for computing capital for credit risk, respectively.

The Bank has constituted a Basel Credit Risk Committee which comprises the deputy managing director, the chief risk officer and the group head of finance and audit functions, which meets on a quarterly basis to

oversee the progress of the preparation for the IRB. The committee is also responsible for approving various IRB related policies which are presented to it from time to time. Further, the committee also reviews the capital impact as per the IRB approach and provides guidance on reviews of the methodology used from time to time.

The Bank had completed a self-assessment of its preparation to migrate to the IRB approach and, with the approval of the Risk Policy and Monitoring Committee of the Board, submitted a letter of intent to RBI for migrating to the IRB approach. Following the submission of additional information and further interaction with RBI officials, the Bank has been allowed by RBI to participate in the parallel run process for the Foundation IRB approach for regulatory capital calculation for credit risk, subject to certain conditions. During the parallel run period, the Bank is required to provide data and/ or information as per prescribed returns to RBI on a quarterly basis. Quantitative disclosures in line with pillar 3 disclosures under the Basel III guidelines as mandated by the RBI for commercial banks are disclosed in the Regulatory Disclosure Section of the Bank's website on a quarterly basis.

With regards to market risk capital charge, the Bank currently follows the standardized approach (being the standardized measurement methodology prescribed by the regulator and has further put in place a risk analytics system towards developing capability for adopting an internal model approach. The Basel III guidelines have been introduced with a view to improve the banking sector's ability to absorb shocks arising from any financial and economic stress from whatever source and with the aim of supplementing the risk-based capital requirement with a leverage ratio that requires capital for all "on and off balance sheet" items, thus shifting the focus towards common equity capital.

During fiscal 2014, the Bank made concurrent qualified institutional placements and a public offering of American depositary shares each representing three equity shares. The aggregate funds received from these issuances was Rs. 97,661 million. Furthermore, the Bank continuously takes measures to be in compliance with the phasing in of capital and leverage ratio requirements under the Basel III guidelines as per the schedule prescribed by the RBI.

Developments in the Banking Sector

Implementation of the Basel III capital regulations

In December 2010, the BCBS issued a comprehensive reform package of capital regulations, known as 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. The RBI issued the RBI Basel III Capital Regulations and the guidelines became operational from April 1, 2013. However, the reform package and guidelines will be implemented in a phased manner. On December 31, 2013, the RBI further extended the implementation of credit valuation adjustment risk to April 1, 2014, and, on March 27, 2014, extended the deadline for full implementation of Basel III requirements to March 31, 2019. (*Source: RBI Circular DBOD.No.BP.BC.81/21.06.201/2013-14 dated December 31, 2013 and RBI Circular DBOD.No.BP.BC.102/21.06.201/2013-14 dated March 27, 2013.*)

The 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 procyclical amplification of these risks over time.

Under Basel III, the total capital of a bank in India must be at least 9.00% of RWAs (8.00% as specified by the BCBS), Tier I capital must be at least 7.00% of RWAs (6.00% as specified by the BCBS) and Common Equity Tier I capital must be at least 5.50% of RWAs (4.50% as specified by the BCBS). Due to the transitional arrangements, the capital requirements of banks may be lower during the initial periods and higher during later years.

Therefore, banks have been advised to do their capital planning accordingly. In addition to the minimum requirements as indicated above, banks are required to maintain a CCB in the form of common equity of 2.50% of RWAs. Under the RBI Basel III Guidelines, total capital with CCB has been fixed at 11.50% of RWAs. In July 2014, the RBI released the “Final Report of the Internal Working Group on Implementation of Counter-cyclical Capital Buffer (“**CCCB**”)”, which requires banks to maintain a buffer of up to 2.5% of RWAs in period of high credit growth as a precaution for downturn.

Furthermore, under Basel III, a simple, transparent, non-risk-based leverage ratio has been introduced. The BCBS will test a minimum Tier I leverage ratio of 3.00% during a parallel run period from January 1, 2013 to January 1, 2017. The RBI has prescribed that during this parallel run period banks should strive to maintain their existing leverage ratios, but in no case should a bank’s leverage ratio fall below 4.50%. Banks whose leverage is below 4.50% have been advised to achieve this target as early as possible. This leverage ratio requirement is yet to be finalized and will be finalized taking into account the final proposals of the BCBS. (Source: *RBI Annual Report 2011-2012*.) Additionally, in June 2014, the RBI released guidelines for an LCR as part of the Basel III framework on liquidity standards, which will require minimum LCRs starting at 60% as at January 1, 2015, increasing in equal annual steps to 100% by January 1, 2019.

Furthermore, Additional Tier I non-equity capital instruments under Basel III are expected to provide additional features such as full coupon discretion, and principal loss absorption when the common equity ratio of a bank falls below 6.125% of its risk-weighted assets. In the case of Tier II non-equity capital instruments, the distinction between Upper Tier II and Lower Tier II instruments under Basel II is removed and a single class of Tier II instrument eligibility criteria has been prescribed. Additionally, under Basel III loss absorption features have been included in the event of the occurrence of the “Point of Non-Viability” trigger. The RBI has also fixed the base at the nominal amount of capital instruments outstanding on January 1, 2013, and their recognition will be capped at 90.00% from April 1, 2013, with the cap reducing by 10.00% points in each subsequent year.

On August 31, 2015, the RBI designated the State Bank of India and ICICI Bank Ltd. as domestic systematically important banks (“**D-SIB**”). Based on the methodology provided in the D-SIB framework and data collected from banks as of March 31, 2015, the State Bank of India and ICICI Bank Ltd. will have to provide Additional Common Equity Tier 1 requirements as a percentage of RWAs of 0.6% and 0.2%, respectively. The CET1 requirements applicable to D-SIBs will be applicable from April 1, 2016 in a phased manner and would become fully effective from April 1, 2019. The additional CET1 requirements will be in addition to the capital conservation buffer.

However, due to the continuing pressures faced as a result of the COVID pandemic, the full implementation of Basel III capital regulations was deferred to October 1, 2021. Banks are to comply with the regulatory limits and minima as prescribed under Basel III capital regulations, on an ongoing basis.

On April 1, 2025, the RBI issued the Master Circular titled ‘Basel III Capital Regulations consolidating all the amendments and notification under Basel III capital regulations. This master circular applied to all SCBs (excluding Small Finance Banks, Payments Banks and Regional Rural Banks). The circular contains provisions *inter alia* regarding disclosure requirements for procuring a bank loan rating for the purpose of capital computation. According to the directions, a bank loan rating issued by External Credit Assessment Institutions without disclosing the name of the banks and the corresponding credit facilities rated by them shall not be eligible for being reckoned for the purpose of capital computation by banks. Banks shall treat such exposures as unrated and assign risk weights accordingly.

Dynamic provisioning guidelines

At present, banks generally make two types of provisions; general provisions on standard assets and specific provisions on NPAs. Since the level of NPAs varies through the economic cycle, the resultant level of

specific provisions also behaves cyclically. Consequently, lower provisions during upturns and higher provisions during downturns have a pro-cyclical effect on the real economy.

The RBI, in its Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021, has decided that, when the stressed loan is transferred to an Asset Reconstruction Company at a price below the Net Book Value (“**NBV**”) at the time of transfer, lenders shall debit the shortfall to the profit and loss account for the year in which the transfer has taken place. Banks are permitted to use countercyclical or floating provisions for meeting any shortfall on transfer of stressed loan when the transfer is at a price below the NBV.

The RBI issued Master Direction on January 16, 2023 titled “Master Direction - Acquisition and Holding of Shares or Voting Rights in Banking Companies, 2023”. The directions were issued to ensure that the ultimate ownership and control of banking corporations is well diversified, and the major shareholder of the banking companies are “fit and proper” on a continuous basis. The provision is applicable to all the banking corporations including Local Area Banks, Small Finance Banks and Payments Banks. According to the directions, anyone who would like to make an acquisition in a banking company that may result in a major shareholding is required to seek for prior approval of the RBI. It also prescribes that only individuals belonging to Financial Action Task Force (“**FATF**”) compliant country can acquire a major shareholding in a banking corporation.

REGULATION AND SUPERVISION

The following description is a summary of certain sector specific laws, guidelines and regulations in India, which are applicable to the Bank. The information detailed in this section has been obtained from publications and press releases available in the public domain as of the date of the Offering Circular. The Indian laws, regulations and guidelines 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, regulations and guidelines. Any reference to statutes, rules, guidelines or regulations in the summary below is a reference to the current provisions of the statutes, rules, guidelines or regulations, as amended.

Statutory Framework

The Government and the RBI regulate the banking sector in India. The primary legislation governing commercial banks in India is the Banking Regulation Act as amended (“**Banking Regulation Act**”). In addition, certain provisions of the Banking Regulation Act are also applicable to the Issuer. The Issuer has been constituted and is governed by the provisions of the State Bank of India Act, 1955, as amended (“**SBI Act**”) and the State Bank of India General Regulations, 1955, as amended. Other important laws relevant to banks in India, including the Issuer, include the Reserve Bank of India Act, 1934 (“**RBI Act**”), the Negotiable Instruments Act, 1881, the FEMA and the Bankers’ Books Evidence Act, 1891. The Issuer is an SCB as per the provisions of the RBI Act. Additionally, the RBI periodically issues guidelines, regulations, policies, notifications, press releases and circulars, which the Issuer is required to follow. The RBI supervises the Issuer’s compliance with applicable laws and regulations.

The Issuer was 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 Issuer is to 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 Issuer, prescribe.

The Issuer is managed by the Central Board, which consists of the Chairman and not more than four Managing Directors appointed by the Government under the SBI Act; elected directors of the shareholders; two directors appointed by the Government, one of whom is a workman and one who is not a workman of the Issuer; 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 Issuer must act as an agent of the RBI if required by the RBI. Further, the accounts of the Issuer must be audited by external statutory auditors appointed by the Issuer with the previous approval of the RBI. If the Government desires, it may appoint auditors to examine and report on the Issuer’s accounts. Also, according to the SBI Act, the provisions of law relating to the winding up of companies do not apply to the Issuer and the Issuer cannot be placed in liquidation except by an 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 Issuer to the Government. Further, the SBI Act was amended with effect from September 15, 2010 by the State Bank of India (Amendment) Act, 2010, to increase the authorized share capital of the Issuer and allow raising of capital through the issue of preference shares by public issue, rights issue, preferential allotment or private placement. In addition, the Government’s minimum required shareholding of the Issuer’s issued capital is reduced from 55.0% to 51.0%. The Central

Board of the Issuer may increase the issued capital of the Issuer by the issue of bonus shares to existing equity shareholders in such manner as the Government may, after consultation with the RBI. The Issuer may accept instalment payments, make calls, and forfeit and re-issue unpaid shares.

The SBI Act was amended with effect from April 1, 2017 by the State Banks (Repeal and Amendment) Act, 2018 which allowed the Issuer to acquire its subsidiaries and delete the corresponding subsidiary clauses in the SBI Act. The amendment was introduced for the rationalization of resources, reduction of costs, improved productivity and customer service.

The SBI Act empowers the Central Board of the Issuer, after consultation with the RBI and with the previous sanction or directive of the Government to make regulations for all matters to give effect to the provisions of the SBI Act. Accordingly, the State Bank of India General Regulations, 1955 (“**SBI General Regulations**”) was formulated in accordance with the SBI Act.

The SBI General Regulations contain specific provisions on matters related to the shares and share register of the Issuer; 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 Issuer; local boards and its committees; remuneration of directors and local board members; loans and advances to directors and employees; execution of documents by the Issuer and signing power of officials of the Issuer; and payment of dividend by the Issuer. On July 23, 2021 (*vide* RBI/2021-22/72 DOR.CRE.REC. No.33/13.03.00/2021-22) restrictions on loans and advances to directors as well as those related to the Chairman/Managing Director or interested parties has been laid down after review.

The SBI General Regulations were amended by the Central Board of the Issuer (after consultation with the RBI) with effect from March 3, 2014. A few key features of these amendments to the SBI General Regulations include new regulations prescribing the procedure for increasing issued capital, forfeiture and re-issue of shares and modification of existing regulations due to the increase in number of Managing Directors of the Bank to four and omission of the post of vice-chairman.

The SBI General Regulations were last amended by the Central Board of the Issuer (after consultation with RBI) with effect from May 1, 2025. The amendment modified and demarcated the territorial areas under various local head offices.

The Bank’s relationships with the Government and the RBI

The Bank has relationships with the Government and the RBI in several roles as described below.

The Government as majority shareholder

The Government purchased the RBI’s entire shareholding in the Issuer on June 29, 2007 and is the Issuer’s Promoter with a shareholding of approximately 56.92% as of the date of the Offering Circular. The SBI Act provides that the Government shall hold not less than 51.00% of the Issuer’s Equity Shares. As the Issuer’s Promoter, the Government has effective control over the affairs of the Issuer.

Statutory powers of the Government over the Issuer

As the formation and constitution of the Issuer is under the SBI Act, it does not have constitutional documents akin to a corporate/banking company. However, under the SBI Act, the Government has been given rights and powers typically given to shareholders under typical corporate structures such as the power to alter the authorized share capital of the Issuer.

The SBI Act and the regulations thereunder provide the Government and the RBI with certain additional rights which may be used to influence the affairs of the Issuer. For instance, the SBI Act expressly provides that the Issuer shall be guided in matters of policy involving public interest by such directions as the Government

may, in consultation with the RBI and the Chairman of the Issuer, provide. In addition, although the Issuer's affairs are managed by the Central Board, the Central Board mostly consists of members directly appointed by the Government in consultation with the RBI wherever the SBI Act provides for such consultation as well as nominees of the Government. The Government, on the recommendations of the RBI, 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 if it is satisfied that this is in the public interest or to prevent the affairs of the Issuer being conducted in a manner detrimental to the interest of the depositors or the Issuer or to secure the proper management of the Issuer. 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.

RBI Circular dated March 6, 2023, pertaining to (i) Revised Guidelines for Appointment / Re-appointment of Statutory Branch Auditors of Public Sector Banks, and (ii) Norms on Business Coverage under Statutory Branch Audit of Public Sector Banks

Presently, the RBI accords prior approval for the appointment / re-appointment of statutory branch auditors ("SBAs") of Public Sector Banks ("PSBs") as required by various applicable statutes. The RBI has now been decided to grant general permission to PSBs for appointment / re-appointment of SBAs subject to the requirements mentioned in the circular.

The Board of the concerned public sector bank shall lay down a policy for engagement of SBAs covering their eligibility criteria, appointment, re-appointment, removal, business coverage and selection of branches for statutory branch audit. PSBs shall allot the top 20 branches (to be selected strictly in descending order of outstanding advances) to the SCAs and shall ensure that at least 15 per cent of the gross advances of the bank are covered by branches under SCAs. The Board approved policy for selection and appointment of auditors shall be placed on the official website of the bank. PSBs shall also disclose on their website the extent of business coverage under statutory branch audit for the respective year and the previous year with effect from FY 2023-2024.

Prior to appointment / re-appointment, the names of the audit entities selected shall be uploaded to the RBI's Auditor Allocation System ("AAS") to ensure that any audit entity which is preferred by multiple PSBs is allocated only to one PSB on "first-come, first-served" basis by the AAS. The ACB of the bank shall review the performance of SSAs on an annual basis. Any serious lapses, negligence in audit responsibilities, conduct issues or any other matter considered as relevant as observed by the ACB shall be reported to the RBI within two months from the completion of the annual audit, with the full details of the audit firm. Non-reappointment / removal of SSAs by PSBs before completion of audit tenure of four years will continue to be subject to the RBI's prior approval. Such request for prior approval shall be forwarded to the RBI with the approval of Board. The RBI permits PSBs to appoint SSAs in compliance with the instructions contained herewith without requiring its prior approval in each case. These directions shall be applicable for appointment of SSAs for audit of accounting periods ending March 31, 2023, and onwards.

For FY 2023-2024 and onwards, the PSBs are being given the discretion to determine business coverage under statutory branch audit, as per their Board approved policy, after considering bank-specific aspects relating to business and financial risks.

The RBI and its Regulations

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.

By virtue of the SBI Act, the Issuer may carry on and transact the business of banking as set out in the Banking Regulation Act. The Banking Regulation Act makes some of the provisions of the Act applicable to the Issuer. In addition to the requirement of obtaining licenses from the RBI for opening its branches, the Issuer is also regulated and supervised by the RBI for other matters relating to banking. The RBI requires the Issuer 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 appointment of the auditors of the Issuer 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 Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, dated May 26, 2016 and the master circular on “Para Banking Activities” dated July 1, 2015 provide the framework for banks’ investments in companies which are not subsidiaries.

Investments by banks in companies which are not subsidiaries are governed by the Banking Regulation Act. No banking company can hold shares in any company, whether as pledgee, mortgagee or absolute owner of an amount exceeding 30.0% of the paid-up share capital of that company, or 30.0% of its own paid-up share capital and reserves, whichever is less, except as statutorily provided.

Regulatory Reporting and Examination Procedures

The RBI is empowered under the Banking Regulation Act to inspect a bank. The RBI monitors prudential parameters at quarterly intervals. To enable off-site monitoring and surveillance by the RBI, banks are required to report to the RBI on various aspects. The RBI also conducts periodical on-site inspections on matters relating to the bank’s portfolio, risk management systems, internal controls, credit allocation and regulatory compliance, at intervals ranging from one to three years. The RBI also conducts on-site supervision of selected branches with respect to general operations and foreign exchange related transactions.

Maintenance of Records

The Banking Regulation Act specifically requires banks to maintain books and records in a particular manner and for a certain amount of time as stipulated by the Banking Companies (Period of Preservation of Records) Rules, 1985. Additionally, the RBI has issued the “Master Direction — Know Your Customer (KYC) Directions, 2016” dated February 25, 2016, as updated and revised, which provides for maintenance / preservation of certain records for a minimum period of five years from the date of the transaction or five years after the business relationships have ended, as the case may be. The Know Your Customer (KYC) Directions, 2016, have since been updated, with the most recent update on June 12, 2025, which *inter alia* inserted a paragraph to the effect that in respect of an individual customer who is categorized as low risk, the regulated entity is required to allow all transactions and ensure the updation of KYC within one year of its falling due for KYC or up to June 30, 2026, whichever is later, and also subject accounts of such customers to regular monitoring. This shall also be applicable to low-risk individual customers for whom periodic updation of KYC has already fallen due.

Regulations Relating to the Opening of Branches

The opening of new branches and shifting of existing branches of banks are governed by the Banking Regulation Act. Before granting any permission on an annual basis, the RBI may require to be satisfied, by an inspection, 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.

The RBI issues instructions and guidelines to banks on branch authorization from time to time, including guidelines allowing banking companies to open new branches, closure and shifting of branches/extension counters/ATMs. The RBI notified the Revised Guidelines — Opening of New Place of Business and Transfer of Existing Places of Business on May 18, 2017, which allowed domestic SCBs (other than Regional Rural Banks), unless otherwise specifically restricted by RBI, to open branches in Tier 1 to Tier 6 centers without prior permission from RBI, subject to the conditions laid down by RBI.

Legal Reserve Requirements

Cash Reserve Ratio (“CRR”)

Each bank is required to maintain CRR on a daily basis which is a specified percentage of total of net demand and time liabilities (“**NDTL**”) adjusted for the exemptions, by way of a balance in a current account with the RBI. Pursuant to the circular dated June 6, 2025, the RBI has decided to reduce the CRR of all banks by 100 basis points in four equal tranches of 25 basis points each to 3.0 per cent of the NDTL. Accordingly, banks are required to maintain the CRR at 3.75 per cent, 3.5 per cent, 3.25 per cent and 3.0 per cent of their NDTL effective from the reporting fortnight beginning September 6, October 4, November 1 and November 29, 2025, respectively. 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 required CRR. 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 case of default in the maintenance of CRR on average basis during the fortnight, penal interest will be recovered as envisaged under the RBI Act.

The RBI pursuant a notification on September 8, 2023, has stated that all SCBs / Regional Rural Banks / all Scheduled Primary (Urban) Co-operative Banks / all Scheduled State Co-operative Banks, shall maintain with the RBI, an additional average daily balance over and above the average daily balance required to be maintained under sub-section (1) of Section 42.

Statutory Liquidity Ratio (“SLR”)

Each bank is required to maintain SLR, a specified percentage of total debt and time liabilities (“**DTL**”) 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 the Banking Regulation Act. At present, the RBI requires banks to maintain an SLR of 18.00%.

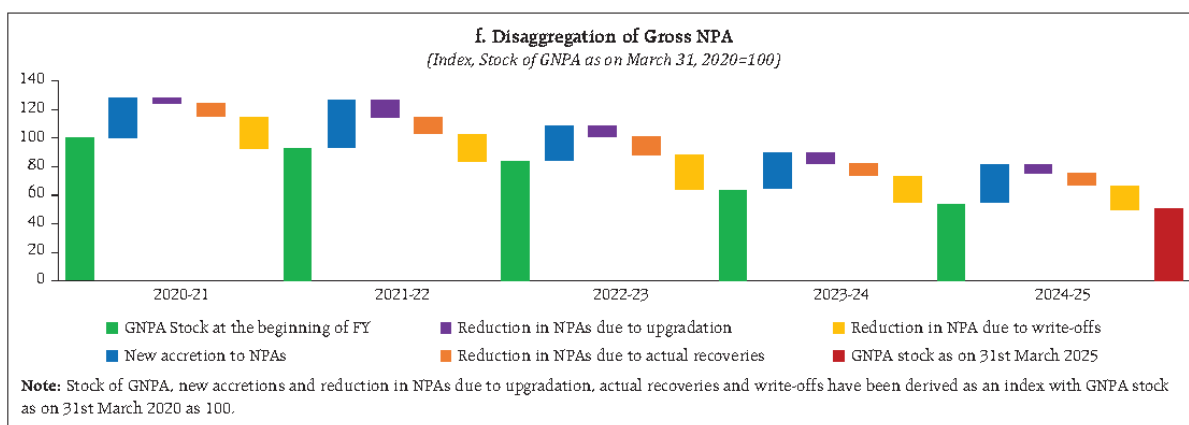
The RBI requires banks to create a reserve fund to which it must transfer not less than 25.00% of the profits of each year before dividends. If there is an appropriation from this account, the bank is required to report this to the RBI within 21 days, explaining the circumstances leading to such appropriation.

On April 8, 2022, as set out in the Statement on Developmental and Regulatory Policies on April 8, 2022, it was decided by the RBI to institute the Standing Deposit Facility (“**SDF**”) with immediate effect.

Accordingly, it was decided that the balances held by banks with the RBI under the SDF shall be an eligible SLR asset and such balances shall form part of “Cash” for SLR maintenance. Banks shall report the SDF balances under “Cash in hand” in Form VIII or Form I, as applicable. The balances held by banks with RBI under the SDF shall not be eligible for CRR maintenance.

Capital Adequacy Requirements

The 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 and have been fully implemented as of October 1, 2021. Banks have to comply with the regulatory limits and minimum capital adequacy requirements as prescribed under the Basel III capital regulations, on an ongoing basis. The below table summarizes the capital requirements under the Basel III guidelines for banks in India:



Sr. No	Regulatory Capital	As % of RWAs
1	Minimum Common Equity Tier I Ratio.....	5.50%
2	Capital Conservation Buffer (comprised of Common Equity).....	2.50%
3	Minimum Common Equity Tier I Ratio plus Capital Conservation.....	8.00%
4	Buffer (1)+(2) Additional Tier I Capital.....	1.50%
5	Minimum Tier I Capital Ratio (1)+(4)	7.00%
6	Tier II Capital.....	2.00%
7	Minimum Total Capital Ratio (MTC) (5)+(6).....	9.00%
8	Minimum Total Capital Ratio plus Capital Conservation Buffer (7)+(2).....	11.50%

A bank shall comply with capital adequacy ratio requirements at two levels:

- the consolidated (“**Group**”) level — capital adequacy ratio requirements, which measure the capital adequacy of a bank based on its capital strength and risk profile after consolidating the assets and liabilities of its subsidiaries / joint ventures / associates except those engaged in insurance and any non-financial activities; and
- the standalone level (“**Solo**”) — capital adequacy ratio requirements, which measure capital adequacy of a bank based on its standalone capital strength and risk profile.

The overseas operations of a bank through its branches will be covered in both the above scenarios.

The RBI issued revisions to the Master Circular — Basel III Capital Regulations dated July 1, 2015 pursuant to its notifications, namely, (i) Master Circular — Basel III Capital Regulations — Clarification dated January 14, 2016 in relation to payment of coupons under criteria for inclusion of perpetual debt instruments in additional tier 1 capital; (ii) Master Circular — Basel III Capital Regulations — Revision dated March 1, 2016 in relation to treatment of revaluation reserves, treatment of foreign currency translation reserves, treatment of deferred tax assets, etc; (iii) Basel III Capital Regulations — Additional Tier 1 Capital dated February 2, 2017 in relation to coupon discretion under the criteria for inclusion of perpetual debt instruments in additional tier 1 capital.

On April 1, 2022, the RBI issued a Master Circular titled ‘Basel III Capital Regulations’ consolidating all the amendments and notification under Basel III capital regulations. In this master circular, the RBI decided that all commercial banks in India (excluding Local Area Banks and Regional Rural Banks) should adopt Standardized Approach for credit risk. The Supervisory Review and Evaluation Process was introduced with the objective to ensure that banks have adequate capital to support all the risks in their business and to encourage them to develop and use better risk management techniques for monitoring and managing their risks.

On May 12, 2023, the RBI issued a Master Circular titled ‘Basel III Capital Regulations’ consolidating all the amendments and notification under Basel III capital regulations. In this master circular, directions were issued for Commercial Banks (excluding Local Area Banks and Regional Rural Banks) regarding disclosure requirements for procuring a bank loan rating for the purpose of capital computation. According to the directions, a bank loan rating issued by External Credit Assessment Institutions without disclosing the name of the banks and the corresponding credit facilities rated by them shall not be eligible for being reckoned for the purpose of capital computation by banks. Banks shall treat such exposures as unrated and assign risk weights accordingly. The pre-specified trigger for loss absorption through conversion/write-down of Additional Tier 1 instruments (Perpetual Non-Convertible Preference Shares and Perpetual Debt Instruments) remains unchanged since October, 2021.

On July 10, 2024, the RBI released Basel III Capital Regulations - Eligible Credit Rating Agencies (ECAI) which refer to paragraph 6.1.2 of the Master Circular DOR.CAP.REC .4/21.06.201/2024-25 dated April 1, 2024 on Basel III Capital Regulations, wherein the list of domestic credit rating agencies accredited for the purpose of risk weighting banks’ claims for capital adequacy purposes has been prescribed. As per the Press Release dated October 12, 2022 in terms of which, regulated entities/market participants were advised that in respect of ratings/credit evaluations required in terms of any guidelines issued by the RBI, no such fresh ratings/evaluations shall be obtained from Brickwork Ratings India Private Limited (the “CRA”). On a review by the RBI, banks are permitted to use the ratings of the CRA for risk weighting their claims for capital adequacy purposes, subject to the following: In respect of fresh rating mandates, rating may be obtained from the CRA for bank loans not exceeding Rs.250 crore. In respect of existing ratings, the CRA may undertake rating surveillance irrespective of the rated amount, till the residual tenure of such loans. In case of existing ratings assigned to working capital facilities exceeding Rs.250 crore, the CRA shall undertake rating surveillance only till the next renewal of such facility by the banks.

On April 1, 2025, the RBI notified the Master Circular – Basel III Capital Regulations, which consolidated the relevant guidelines issued till date.

Liquidity Coverage Ratio

The Basel III framework on ‘Liquidity Standard’ includes ‘Liquidity Coverage Ratio’, ‘Net Stable Funding Ratio’ and liquidity risk monitoring tools. With effect from January 1, 2015, the RBI introduced a requirement for commercial banks in India to maintain certain levels of Liquidity Coverage Ratio (“LCR”). 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. 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**”). Banks are required to maintain HQLA of minimum 90% with effect from January 1, 2018, which increased to 100% with effect from January 1, 2019.

The Basel Committee on Banking Supervision issued the final rules on ‘Net Stable Funding Ratio’ in October 2014. The final guidelines were issued by the RBI pursuant to the circular dated May 17, 2018. As per the circular dated November 29, 2018, these guidelines would come into effect from April 1, 2020 to ensure that banks maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities. However, pursuant to the circular dated March 27, 2020, the implementation was deferred to October 1, 2020. Subsequently, due to the COVID-19 pandemic, pursuant to the circulars dated September 29, 2020 and February 5, 2021, the implementation was deferred to October 1, 2021.

Pursuant to a circular dated April 17, 2020, in order to accommodate the burden on banks’ cash flows on account of the COVID-19 pandemic, banks are permitted to maintain LCR as under:

From date of circular to September 23, 2020	80%
Oct 1, 2020 to March 31, 2021	90%
April 1, 2021 onwards	100%

In pursuance of the above, on April 18, 2022, the RBI issued notification stating that the assets allowed as Level 1 HQLAs for the purpose of computing the LCR, inter alia, include (a) Government securities in excess of the mandatory SLR requirement and (b) within the mandatory SLR requirement, Government securities to the extent allowed under (i) MSF and (ii) Facility to Avail Liquidity for Liquidity Coverage Ratio (“**FALLCR**”) (15 per cent of the banks’ NDTL).

Since MSF has been reduced to two per cent from three per cent of NDTL from January 1, 2022, the total HQLA carve out from the mandatory SLR, which can be reckoned for meeting LCR requirement, has reduced to 17 per cent of NDTL (two per cent MSF plus 15 per cent FALLCR) from 18 percent.

On a review, it has been decided by the RBI to permit 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). Through Notification dated November 23, 2022, it has been advised that the overnight balances held by banks with RBI under Standing Deposit Facility shall be eligible as a Level 1 HQLA for computation of LCR. As per the RBI circular on Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR) - Review of Haircuts on High Quality Liquid Assets (HQLA) and Review of Composition and Run-off Rates on Certain Categories of Deposits dated April 21, 2025, with effect from April 1, 2026, Level 1 HQLA in the form of government securities shall be valued at an amount not greater than their current market value, adjusted for applicable haircuts in line with the margin requirements under the Liquidity Adjustment Facility (LAF) and MSF as described in RBI circular FMOD.MAOG No.125/01.01.001/2017-18 dated June 6, 2018, as amended from time to time.

Domestic Systemically Important Banks

The RBI had issued the Framework for dealing with Domestic Systemically Important Banks (“**D-SIB**”) on July 22, 2014 (“**D-SIB Framework**”). The D-SIB Framework requires the RBI to disclose names of banks designated as D-SIBs every year in August starting from 2015 and place these banks in appropriate buckets depending upon Systemic Importance Scores. Based on the bucket in which a D-SIB is placed, an additional common equity requirement is applied to it.

The RBI has identified the Issuer as a D-SIB under the bucketing structure as provided in the D-SIB Framework. The higher capital requirements, for the Issuer, in the form of additional Common Equity Tier 1 are being phased-in from April 1, 2018 and has become fully effective from April 1, 2019.

Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances

The RBI has issued guidelines on income recognition, asset classification, provisioning standards and the valuation of investments, which are revised from time to time. In terms of the guidelines issued by RBI, banks are required to classify an asset into non-performing when it ceases to generate income for the bank. 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 RBI's Master Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances ("**Prudential Norms**") require banks to classify NPAs into the following three categories: (i) sub-standard assets; (ii) doubtful assets; and (iii) loss assets, based on the period for which the asset has remained non-performing. These norms also specify provisioning requirements specific to the classification of the assets.

The RBI has issued guidelines on April 18, 2017 advising all SCBs to make additional provisions in respect of advances to stressed sectors of the economy. The banks are required to put in place a Board-approved policy for making provisions for standard assets at rates higher than the regulatory minimum, based on evaluation of risk and stress in various sectors. This evaluation needs to be on a quarterly basis.

The RBI has issued guidelines on September 1, 2016 to restrict SCBs' investment in security receipts ("**SRs**") backed by their own stressed assets. With effect from April 1, 2017, where the investment in a bank in SRs backed by stressed assets sold by it, under an asset securitization is more than 50% of the SRs backed by its sold assets and issued under that securitization, provisioning requirement on SRs will be higher of the provisioning rate required in terms of net asset value declared by the securitization companies/ reconstruction companies and provisioning rate as applicable to the underlying loans, assuming that the loans notionally continued in the books of the bank. With effect from April 1, 2018, this threshold of 50% has been reduced to 10%.

Vide notification dated November 12, 2021 (RBI/2021-2022/125 DOR.STR.REC.68.21.04.048/2021-22), clarifications were issued by RBI regarding the existing norms. SMA classification was clarified as follows:

Loans other than revolving facilities		Loans in the nature of revolving facilities like cash credit/overdraft	
SMA Sub-categories	Basis for classification – Principal or interest payment or any amount wholly or partly overdue	SMA Sub-categories	Basis for classification – Outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for a period of:
SMA-0	Up to 30 days		
SMA-1	More than 30 days and up to 60 days	SMA-1	More than 30 days and up to 60 days
SMA-2	More than 60 days and up to 90 days	SMA-2	More than 60 days and up to 90 days

Further clarifications on classification on SMAs and NPAs were also issued, along with basis of upgradation of NPAs to 'standard' account category. On February 15, 2022, further clarifications on this

notification were issued by RBI. The Master Circular (Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, 2023) dated April 1, 2023 was issued for consolidating all the instructions issued up to March 31, 2023.

On April 2, 2024, the RBI released a Master Circular on Prudential norms on Income Recognition, Asset Classification and provisioning pertaining to Advances.

In line with the international practices and as per the recommendations made by the Committee on the Financial System, the RBI has introduced, in a phased manner, prudential norms for income recognition, asset classification and provisioning for the advances portfolio of the banks so as to move towards greater consistency and transparency in the published accounts.

As per the RBI directive, the policy of income recognition should be objective and based on record of recovery rather than on any subjective considerations. The classification of assets of banks has to be done on the basis of objective criteria which would ensure a uniform and consistent application of the norms. Also, the provisioning should be made on the basis of the classification of assets based on the period for which the asset has remained non-performing and the availability of security and the realizable value thereof.

The RBI has also directed banks to ensure that while granting loans and advances, realistic repayment schedules may be fixed on the basis of cash flows with borrowers, as this would facilitate prompt repayment by the borrowers and thus improve the record of recovery in advances.

The latest master circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances was released by the RBI on April 1, 2025.

Priority Sector Lending

The “Master Direction — Reserve Bank of India (Priority Sector Lending — Targets and Classification Directions, 2016” dated July 7, 2016 sets out the broad policy in relation to priority sector lending. In accordance with this circular, the priority sectors for all scheduled banks include (i) agriculture; (ii) micro, small and medium enterprises (“**MSMEs**”); (iii) export credit; (iv) education; (v) housing; (vi) social infrastructure; (vii) renewable energy and (viii) others, and (ix) weaker sections. Under the Master Circular, the priority sector lending targets are linked to ANBC or credit equivalent amount of off-balance sheet exposure, whichever is higher, as of the corresponding date of the preceding year. Currently, the total priority sector lending target for SCBs is 40.00% of ANBC or credit equivalent amount of off-balance sheet exposure, whichever is higher. It also prescribes sub-targets for small and marginal farmers, micro-enterprises and weaker sections.

The RBI also requires foreign banks to make loans to exporters at concessional rates of interest. This enables exporters to have access to an internationally competitive financing option. Pursuant to existing guidelines, 32.0% of those a foreign bank’s ANBC is required to be in the form of export credit whose number of branches is less than 20. While for domestic banks, incremental export credit over corresponding date of the preceding year, up to 2.0% of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, effective from April 1, 2015 subject to a sanctioned limit of up to Rs. 250.0 million per borrower.

A notification dated June 21, 2024, amended the Master Directions on Priority Sector Lending (“**PSL**”) dated September 4, 2020 to adjust the weights in PSL Achievement. From FY 2024-2025 onwards, a higher weight (125%) will be assigned to incremental priority sector credit in districts with comparatively lower credit flow (per capita PSL less than Rs. 9,000). A lower weight (90%) will be assigned for incremental priority sector credit in districts with comparatively higher credit flow (per capita PSL greater than Rs. 42,000).

The provision for reporting PSL data in specific formats has been repealed in line with the international practices and as per the recommendations made by the Committee on the Financial System (Chairman Shri M. Narasimham), the RBI has introduced, in a phased manner, prudential norms for income recognition, asset

classification and provisioning for the advances portfolio of the banks so as to move towards greater consistency and transparency in the published accounts. The policy of income recognition should be objective and based on a record of recovery rather than on any subjective considerations.

Likewise, the classification of assets of banks has to be done on the basis of objective criteria which would ensure a uniform and consistent application of the norms. Also, the provisioning should be made on the basis of the classification of assets based on the period for which the asset has remained non-performing and the availability of security and the realizable value thereof. Banks are urged to ensure that while granting loans and advances, realistic repayment schedules may be fixed on the basis of cash flows with borrowers. The purpose is to facilitate prompt repayment by the borrowers and thus improve the record of recovery in advances.

In a nutshell, the new PSL Guidelines sets out the following new provisions:

- To address regional disparities, districts will be ranked based on per capita credit flow to the priority sector:
 - It aims to build an incentive framework with higher weight (125%) for districts with comparatively lower credit flow and a disincentive framework with lower weight (90%) for districts with comparatively higher credit flow.
 - Effective Period: from FY 2024-2025 to FY 2026-2027.
- All bank loans to MSMEs shall qualify for classification under PSL.

Pursuant to the Master Direction — Reserve Bank of India (Priority Sector Lending — Targets and Classification Directions, 2025 dated March 24, 2025, the RBI has issued updated guidelines on PSL, effective from April 1, 2025. These directions apply to all commercial banks, regional rural banks, small finance banks, local area banks, and primary (urban) co-operative banks, except salary earners' banks.

In these directions, the categories under PSL include agriculture, micro, small and medium enterprises, export credit, education, housing, social infrastructure, renewable energy, and others. Priority sector lending targets are set at 40% of Adjusted Net Bank Creditor Credit Equivalent of Off-Balance Sheet Exposures for most commercial banks, 75% for regional rural banks and small finance banks, and 60% for urban co-operative banks, with sub-targets for agriculture, micro enterprises, and weaker sections.

Lending to Micro, Small & Medium Enterprises Sector

With a view to enlarge the Bank's credit exposure in the MSME sector, we have initiated several sector friendly measures at highly competitive interest rates based on the enactment of the government on Micro, Small & Medium Enterprises Development Act, 2006. The RBI has from time to time, issued a number of guidelines / instructions / circulars / directives to banks in the matters relating to lending to MSME sector, and given the importance of the micro, small and medium enterprises for India's economy, the financing needs of this sector will continue to command special attention.

Pursuant to the circular dated July 29, 2022, the RBI has updated the Master Direction (Lending to Micro, Small & Medium Enterprises ("MSME") Sector), dated July 24, 2017. Through the directions, new criteria for classification of micro, small and medium enterprises were stated. According to the directions, (i) a micro enterprise is where the investment in plant and machinery or equipment does not exceed Rs. 1 crore and turnover does not exceed Rs. 5 crore; (ii) a small enterprise is where the investment in plant and machinery or equipment does not exceed Rs. 10 crore and turnover does not exceed Rs. 50 crore; and (iii) a medium enterprise is where the investment in plant and machinery or equipment does not exceed Rs. 50 crore and turnover does not exceed Rs. 250 crore.

On June 11, 2024, the RBI released a notification which amended the Master Direction (Lending to MSME Sector), dated July 24, 2017 specifying that the “timeline for credit decisions for loans up to Rs. 25 lakh to units in the MSE borrowers shall not be more than 14 working days. For loans above the aforementioned limit, timelines shall be as per the Board approved sanction time norms. All credit related information pertaining to MSMEs including timelines for credit decisions, indicative document checklist etc., shall be displayed under a separate tab prominently on the bank’s website.

The notification also sets out that banks are required to implement a structured mechanism to monitor credit-related issues in the Micro, Small and Medium Enterprises sector. This includes the establishment of a Credit Proposal Tracking System (“CPTS”) or an equivalent tracking mechanism for central registration and e-tracking of all MSME loan applications, which will automatically generate an acknowledgement of the application with a unique serial number. Banks are also required to provide MSME borrowers with an indicative checklist of documents needed for loan application processing. The loan application disposal process should be monitored by banks on a quarterly basis, and any delays beyond sanction time norms should be displayed on their websites. If a loan application is rejected, banks must provide the main reason(s) for rejection to the MSME borrowers in writing. Lastly, banks should implement a system-driven comprehensive performance management information system (“MIS”) at branches and supervisory levels, and the performance and credit flow to the sector should be critically evaluated on a regular basis and reviewed by the Board of the banks at periodic intervals.

Furthermore, provisions pertaining to a cluster approach has been added to refer to a cluster identified by the Ministry of Micro, Small and Medium Enterprises, Government of India or the respective State / UT Governments. SLBC / UTLBC Convenor banks shall display the list of these clusters on their portals and update them semi-annually as at end-March and end-September. The updated list of clusters identified by Ministry of MSME may be accessed from Ministry’s official website, while information on clusters recognized by State Governments / Union Territories shall be obtained directly from the respective authorities.

- (i) The lead bank of a district shall promote “credit-linkage” in all clusters located within the district. The initiatives under promotion of the credit-linkage, shall include but not be restricted to the following measures:
 - Assessing the credit requirements of the MSE units in the clusters and addressing their credit needs directly or facilitating their linkage with other banks operating in the area for credit proposals.
 - Creating awareness among the MSE units in the clusters regarding the importance of formal credit linkage through various forums including financial literacy camps.
 - Enabling coverage under various skill development initiatives in the district.
 - Focused attention and proactive measures to improve financial services in the underbanked clusters.
- (ii) The banks shall ensure that the credit needs of clusters are appropriately included in the exercise of preparation of branch/block level plans so that the same can be aggregated by lead banks to form the District Credit Plan and subsequently by SLBC / UTLBC Convenor banks to prepare the Annual Credit Plan.

Exposure Norms

As a prudential measure aimed at better risk management and avoidance of concentration of credit risk, the RBI has prescribed credit exposure limits for banks and long-term lending institutions in respect of their lending to individual borrowers and to all borrowers belonging to a single group. From April 1, 2019, exposure

limits to single and group borrowers have been revised to 20% and 25% of the Bank's Tier 1 Capital funds as against the erstwhile norm of 15% and 40% of the Total Capital Funds Limits.

In accordance with Large Exposures Framework dated June 3, 2019, the sum of all the exposure values of a bank to a single counterparty must not be higher than 20% of the said bank's available eligible capital base at all times. In exceptional cases, banks may allow an additional 5% exposure of the bank's available eligible capital base. Further, the sum of all the exposure values of a bank to a group of connected counterparties must not be higher than 25% of the bank's available eligible capital base at all times. The eligible capital base for this purpose is the effective amount of Tier 1 capital fulfilling the criteria defined in the Master Circular on Basel III — Capital Regulation dated July 1, 2015 (as amended from time to time) as per the last audited balance sheet. However, the infusion of capital under Tier I after the published balance sheet date may also be taken into account for the purpose of Large Exposures Framework. For Indian Banks, profits accrued during the year, subject to provisions of the Master Circular on Basel III — Capital Regulation dated July 1, 2015 (as amended from time to time), will also be reckoned as Tier I capital for the purpose of the large exposures framework. Any breach of the above LE limits shall be under exceptional conditions beyond the control of the bank, shall be reported to RBI (DBS, CO) immediately and rapidly rectified.

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 of 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 Venture Capital Funds (both registered and unregistered) should not exceed 20% of its net worth on both standalone and consolidated basis.

Short Selling of Government Securities

Short selling of government securities is permitted in accordance with the notification of the RBI pertaining to Secondary Market Transactions in Government Securities — Short Selling dated July 25, 2018 and in accordance with the operational guidelines contained therein.

The maximum amount of a security (face value) that can be short sold shall be as mentioned below:

Category	Security level limit
Liquid securities	2% of the total outstanding stock of each security, or, Rs.500 crore, whichever is higher.
Other securities	1% of the total outstanding stock of each security, or, Rs.250 crore, whichever is higher.

Regulations relating to Making Loans

The provisions of the Banking Regulation Act govern the advancing of loans by banks in India. The RBI issues directions covering the lending activities of banks. Some of the major guidelines of the RBI, which are now in effect, are as follows:

- The RBI introduced the “base rate” in place of the Benchmark Prime Lending Rate (“BPLR”) with effect from July 1, 2010. The base rate shall include all those elements of the lending rates that are common across all the categories of borrowers. For loans sanctioned up to June 30, 2010, BPLR would be applicable. However, for those loans sanctioned up to June 30, 2010 which come up for renewal from July 1, 2010 onwards, the base rate would be applicable.

- The Banking Regulation Act provides that the rate of interest charged by a bank shall not be reopened by any court on the ground that the rate of interest charged by a bank is excessive. The Banking Regulation Act provides for protection to banks for interest rates charged by them.
- As set out in the agenda for 2015-2016, the RBI introduced the Marginal Cost of Funds based Lending Rate (“**MCLR**”) system for SCBs (excluding RRBs) which became effective from April 1, 2016, whereby all new rupee loans sanctioned and credit limits renewed would be priced with reference to the MCLR. Under the MCLR system, banks determine their benchmark lending rates linked to the MCLR which is more sensitive to changes in the policy rate, unlike the earlier base rate system where banks adopted different methodologies (average/marginal/blended principles) for computing their cost of funds.
- MCLR consists of four components: (a) marginal cost of funds (marginal cost of borrowings comprising deposits and other borrowings, and return on net worth), (b) negative carry on account of CRR, (c) operating costs and (d) term premium. The MCLR plus spread is the actual lending rates for borrowers. The spread comprises of only two components, namely, business strategy and credit risk premium.
- As per a press release dated February 7, 2018, RBI has decided to link the base rate to the MCLR with effect from April 1, 2018.
- Vide circular dated September 4, 2019, the RBI decided that all new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans to MSMEs extended by banks from October 1, 2019 shall be linked to an external benchmark. Further, pursuant to the circular dated February 26, the RBI decided that all new floating rate loans to the Medium Enterprises extended by banks from April 1, 2020 shall be linked to external benchmarks.
- The RBI issued a notification dated June 24, 2020 titled ‘Loans Sourced by Banks and NBFCs over Digital Lending Platforms: Adherence to Fair Practices Code and Outsourcing Guideline’ which stipulates that any bank or NBFC engaging digital lending platforms as their agents to source borrowers and/or recover dues shall disclose names of such agents on their website, direct the digital agents engaged by the bank or NBFC to disclose the name of bank or NBFC to the customer and ensure effective oversight and monitoring over digital agents.

Regulations relating to Interest Rates on Deposits and Advances

The RBI issued the “Reserve Bank of India (Interest Rate on Deposits) Directions, 2025” on April 1, 2025, which provides that SCBs 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, Non-Resident (External) Accounts and Foreign Currency (Non-Resident) Accounts (Banks) Scheme deposit account), subject to certain conditions prescribed by these directions. Banks are required to put in place a comprehensive policy on interest rates on deposits duly approved by the Board of Directors or any committee thereof. 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.

Regulations relating to Know Your Customer (“KYC”) and Anti-Money Laundering (“AML”)

The RBI has issued guidelines on KYC, AML, and combating financing of terrorism and obligation of banks under the Prevention of Money Laundering Act, 2002 (“**PMLA**”). The PMLA casts certain obligations on banks relating to preservation and reporting of customer account information. Guidelines have been issued

by the RBI under the Banking Regulation Act and the Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, as amended from time to time.

The RBI issued the “Master Direction — Know Your Customer (KYC) Direction, 2016” on February 25, 2016 prescribing the guidelines for KYC and anti-money laundering procedures. Banks are required to formulate a KYC policy which is required to 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 bearing that date or any subsequent date, if they are presented beyond the period of three months from the date of such instrument.

On 20 April 2020, the RBI amended the Master Direction – Know Your Customer Direction, 2016, requiring banks and financial institutions regulated by the RBI to periodically carry out money laundering and terrorist financing risk assessments to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk including for clients, countries or geographic areas, products, services, transactions or delivery channels. Banks and financial institutions shall apply a risk-based approach for mitigation and management of the identified risk and should have Board approved policies, controls and procedures which take into consideration sector-specific vulnerabilities which are shared by the regulators. On May 10, 2021, the RBI amended the KYC Master Direction to further leverage the Video based Customer Identification Process and to simplify and rationalise the process of periodic updating of KYC for customers. The KYC Master Direction was updated on June 12, 2025 to include a provision to the effect that in respect of an individual customer who is categorized as low risk, the regulated entity is required to allow all transactions and ensure the updation of KYC within one year of its falling due for KYC or up to June 30, 2026, whichever is later and that the regulated entity shall subject accounts of such customers to regular monitoring. This shall also be applicable to low-risk individual customers for whom periodic updation of KYC has already fallen due.

Regulations relating to authorized dealers for foreign exchange and cross-border business transactions

The “Master Direction on Risk Management and Interbank Dealings”, dated July 5, 2016, as updated from time to time, states that all categories of overseas foreign currency borrowings of AD Category I banks, including existing ECBs and loans or overdrafts from their head office, overseas branches and correspondents outside India, international/ multilateral financial institutions or any other entity as permitted by the RBI and overdrafts in nostro accounts (not adjusted within five days), shall not exceed 100% of their unimpaired Tier I Capital or U.S.\$10 million (or its equivalent), whichever is higher.

All branches should monitor all non-resident accounts and cross border transactions to prevent money laundering. The RBI may impose a penalty for contravention of the FEMA and regulations/ notifications issued there under or contravenes any condition subject to which an authorization is issued by it.

The Banking Regulation (Amendment) Act, 2017 (“2017 Amendment”)

The promulgation of the Banking Regulation (Amendment) Act, 2017 (Amendment) inserting two new Sections (sections 35AA and 35AB) to follow Section 35A of the Banking Regulation Act as amended, enables the Government to authorize the RBI to direct banking companies to resolve specific stressed assets by initiating the insolvency resolution process, where required. The RBI has also been empowered to issue other directions for resolution, and appoint or approve for appointment, authorities or committees to advise banking companies for stressed asset resolution. This measure will have a direct impact on effective resolution of stressed assets, particularly in consortium or multiple banking arrangements, as the RBI will be empowered to intervene in

specific cases of resolution of non-performing assets, to bring them to a definite conclusion. The Amendment should lead to effective resolution of stressed assets, particularly in consortium or multiple banking arrangements.

The Banking Regulation (Amendment) Act, 2020 (“2020 Amendment”)

The Banking Regulation (Amendment) Act, 2020 effectively brings co-operative banks under the RBI’s supervision. The 2020 Amendment does not apply to (a) a primary agricultural credit society; or (b) a co-operative society whose primary object and principal business is providing of long-term finance for agricultural development, if such society does not use as a part of its name, or in connection with its business, the words “bank”, “banker” or “banking” and does not act as drawee of cheques.

The 2020 Amendment also allows the RBI to prepare a scheme for reconstruction or amalgamation without necessarily placing the lender under a moratorium. Further, the 2020 Amendment also states that a co-operative bank may, with the prior approval of the RBI, issue, by way of public issue or private placement – (i) equity shares or preference shares or special shares, on face value or at premium; and (ii) unsecured debentures or bonds or other like securities with initial or original maturity of not less than ten years, to any member of such co-operative bank or any other person residing within its area of operation, subject to conditions, ceiling, limits or restrictions as specified by the RBI.

Recent Regulatory Update: Banking Laws (Amendment) Bill 2024

The Union Cabinet has approved on August 6, 2024, the introduction of the “Banking Laws (Amendment) Bill 2024”. The Bill is expected to redefine substantial interest for directors, increase the number of nominees for bank accounts, and change reporting dates, among other alterations.

Another proposed change relates to redefining ‘substantial interest’ for directorships, which could increase to Rs. 2 crore or 10 per cent of paid-up capital.

The Banking Laws (Amendment) Act, 2025 was notified on April 15, 2025. It amended the Reserve Bank of India Act, 1934, the Banking Regulation Act the State Bank of India Act, 1955, the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980.

Foreign Exchange Management (Borrowing and Lending) Regulations, 2018

The RBI has notified the FEMA (Borrowing and Lending) Regulations on December 17, 2018, to regulate borrowing and lending transactions between a person resident in India and a person resident outside India.

Regulation 3 prohibits any person resident in India to borrow or lend in foreign exchange from or to a person resident in or outside India and to any person resident in India to borrow in rupees from, or lend in rupees to, a person resident outside India, save as otherwise provided in the Act, Rules or Regulations made thereunder.

The Regulations have also been made for Authorized Dealers (“ADs”) or their branch outside India and for persons other than Authorized Dealers. The ADs may borrow from its Head Office or branch or correspondent outside India or any other entity up to the limit specified and subject to terms and conditions as specified by the RBI from time to time. A branch outside India of an AD being a bank incorporated or constituted in India, may borrow in foreign exchange in the normal course of its banking business from outside India, subject to the directions or guidelines issued by the Reserve Bank from time to time, and the Regulatory Authority of the country where the branch is located.

On May 24, 2021, RBI notified the Foreign Exchange Management (Borrowing and Lending) (Amendment) Regulations, 2021. As per the amendment, an AD in India may lend to a person resident outside India for making margin payments in respect of settlement of transactions involving Government Securities by the person resident outside India, subject to such terms and conditions as may be specified by the RBI. The RBI on July 28, 2022, issued Foreign Exchange Management (Borrowing and Lending) (Amendment) Regulations, 2022 to further amend the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018.

As per the amendment, there was a temporary increase in the upper limit under the automatic route from U.S.\$750 million to U.S.\$1.5 billion for ECBs in India until December 31, 2022. The all-in cost ceiling under the ECB framework was also raised by 100 bps until December 31, 2022. The upper limit under the automatic route has since reverted to U.S.\$750 million and the increase in the all-in cost ceiling rate has been reduced to its previous state.

ECB Guidelines of India

ECBs are commercial loans raised by eligible resident borrowers from recognized non-resident entities. ECBs are principally governed by the Master Direction — External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019, as amended, updated, modified and supplemented from time to time (“**ECB Master Direction**”) issued by the RBI.

Under the ECB Master Direction, an external commercial borrowing i.e. loans or credit facilities by a foreign lender to an Indian borrower (“**ECB**”) may be availed in the form of, amongst others, (i) foreign currency denominated commercial loans or bonds, or (ii) Rupee denominated commercial loans or Rupee denominated bonds, from non-resident lenders.

The ECB Master Direction set out that any resident of FATF or IOSCO compliant country can provide ECBs to eligible Indian borrowers. Further, (i) multilateral and regional financial institutions, where India is a member country, will be recognized lenders under the ECB Master Direction, (ii) individuals as lenders can only be permitted if they are foreign equity holders or subscribers to bonds or debentures listed abroad, and (iii) foreign branches / subsidiaries of Indian banks continue to be recognized lenders for foreign currency denominated-ECBs. Such foreign branches or subsidiaries of Indian banks can only subscribe to ECBs denominated in freely convertible currency other than the Indian Rupee, and subject to applicable prudential norms, can participate as arrangers, underwriters, market-makers, traders for Rupee-denominated Bonds issued overseas. However, underwriting by foreign branches/subsidiaries of Indian banks for issuances by Indian banks will not be allowed.

ECBs are required to be in compliance with the restrictions imposed under the ECB Master Direction in relation to, *inter alia*, their amounts, minimum average maturity period and all-in-cost ceilings. Under the ECB Master Direction, the negative list, for which the ECB proceeds cannot be utilized, include the following: (a) real estate activities; (b) investment in capital market; (c) equity investment (d) working capital purposes except from foreign equity holder; (e) general corporate purposes except from foreign equity holder, and (f) repayment of Rupee loans except from foreign equity holder.

Additionally, the ECB Master Direction prescribes that all eligible borrowers can raise ECB up to U.S.\$750 million or equivalent per fiscal year under the automatic route. Under the ECB Master Direction, plain vanilla Rupee denominated bonds can be issued overseas, which can be either placed privately or listed on exchanges as per host country regulations. The ECBs denominated in freely convertible currency other than the Indian Rupee can be subscribed to by foreign branches / subsidiaries of Indian banks (subject to applicable prudential norms) who can participate as arrangers/underwriters/market-makers/traders. However, underwriting by foreign branches/subsidiaries of Indian banks for issuances by Indian banks is not permitted.

For the purposes of this section, “**FATF Compliant Country**”, pursuant to the RBI regulations, including the ECB Guidelines means a country that is a member of FATF or a member of an FATF Style Regional Body; and should not be a country identified in the public statement of the FATF as (i) A jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or (ii) A jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the Financial Action Task Force to address the deficiencies.

Further, an “IOSCO Compliant Country” is a country whose securities market regulator is a signatory to the International Organization of Securities Commission’s Multilateral Memorandum of Understanding (“**MoU**”) (Appendix A Signatories) or a signatory to bilateral MoU with the Securities and Exchange Board of India for information sharing arrangements. In addition to being a resident of the countries which comply with the abovementioned conditions, the recognized lenders must comply with other requirements as specified from the RBI from time to time in relation to the above.

On December 8, 2021 (RBI/2021-22/135 A.P. (DIR Series) Circular No. 19) the RBI made changes to the ECB and TC Policy in view of the imminent discontinuance of LIBOR as a benchmark trade. It made the following amendments - (i) Redefining Benchmark Rate for FCY ECBs and TCs, (ii) Change in all-in-cost ceiling for new ECBs/ TCs and (iii) One Time Adjustment in all-in-cost ceiling for existing ECBs/ TCs.

Prudential Framework for Resolution of Stressed Assets issued by the RBI

The RBI has issued the ‘Prudential Framework For Resolution Of Stressed Assets By Banks’ (the “**Framework**”) on June 7, 2019. These directions have been issued with a view to providing a framework for early recognition, reporting and time -bound resolution of stressed assets, and these directions have been issued without prejudice to issuance of specific directions, from time to time, by the RBI to banks, in terms of the provisions of Section 35AA of the Banking Regulation Act for initiation of insolvency proceedings against specific borrowers under the Insolvency and Bankruptcy Code. The Supreme Court of India pursuant to its order dated April 2, 2019 in the matter of *Dharani Sugars & Chemicals Limited v. Union of India & Ors*, had held the RBI circular dated February 12, 2018 on Resolution of Stressed Assets as ultra vires. In accordance with the Stressed Asset Directions, going forward, all resolution plans to resolve stressed assets will be governed by the Stressed Asset Directions, even if resolution plans were conceived before or were in the process of implementation before June 7, 2019.

The RBI has mandated that the provisions of the directions in the Framework shall apply to the following entities: (a) SCBs (excluding Regional Rural Banks); (b) All India Term Financial Institutions (NABARD, NHB, EXIM Bank, and SIDBI); (c) Small Finance Banks; and (d) Systemically Important Non-Deposit taking Non-Banking Financial Companies (“**NBFC-ND-SI**”) and Deposit— taking Non-Banking Financial Companies (“**NBFC-D**”).

The fundamental principles underlying the regulatory Framework for resolution of stressed assets are as follows: (i) early recognition and reporting of default in respect of large borrowers by banks, Financial Institutions and NBFCs; (ii) complete discretion to lenders with regard to design and implementation of resolution plans, in supersession of earlier resolution schemes (S4A, SDR, 5/25 etc.), subject to the specified timeline and independent credit evaluation; (iii) a system of disincentives in the form of additional provisioning for delay in implementation of resolution plan or initiation of insolvency proceedings; (iv) withdrawal of asset classification dispensations on restructuring and future upgrades to be contingent on a meaningful demonstration of satisfactory performance for a reasonable period; (v) for the purpose of restructuring, the definition of ‘financial difficulty’ to be aligned with the guidelines issued by the Basel Committee on Banking Supervision; and (vi) signing of inter-creditor agreement (“**ICA**”) by all lenders to be mandatory, which will provide for a majority decision making criteria.

The RBI has further mandated that the extant instructions on resolution of stressed assets such as Framework for Revitalising Distressed Assets, Corporate Debt Restructuring Scheme, Flexible Structuring of Existing Long -Term Project Loans, Strategic Debt Restructuring Scheme. Change in Ownership outside SDR, and Scheme for Sustainable Structuring of Stressed Assets stand withdrawn with immediate effect. Accordingly, the Joint Lenders' Forum (“JLF”) as mandatory institutional mechanism for resolution of stressed accounts also stands discontinued.

The RBI has, pursuant to a press release dated, June 8, 2023, for ‘Prudential Framework for Resolution of Stressed Assets’, proposed to – (i) issue a comprehensive regulatory framework governing compromise settlements and technical write-offs covering all regulated entities; and (ii) categorized the extant prudential norms for implementation of resolution plans in respect of exposures affected by natural calamities, drawing upon the lessons from the resolution frameworks introduced during the COVID-19 pandemic. The RBI stated that detailed guidelines would be issued separately in due course.

The RBI notified the Master Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances on April 1, 2025, consolidating instructions / guidelines issued to banks till March 31, 2024 on matters relating to prudential norms on income recognition, asset classification and provisioning pertaining to advances.

Setting Up of Payments Banks

The RBI has also issued guidelines dated November 27, 2014, on licensing of “Payments Banks” in the private sector in the banking industry, including the eligibility criteria, scope, capital requirements, shareholding structure, prudential norms, and other corporate governance practices applicable to such proposed entities. The RBI, on October 6, 2016, issued separate Operating Guidelines for Payments Banks considering the differences between the business and financial inclusion focus of these banks.

The prudential borrowing limits for transactions in Call, Notice and Term Money Markets have been revised as of June 25, 2021. For SCBs, the prudential limit for call and notice money is (i) 100% of capital funds, on a daily average basis in a reporting fortnight, and (ii) 125% of capital funds on any given day. For Term Money, it is internal board approved limit within the prudential limits for inter-bank liabilities. The RBI has, through a press release dated June 8, 2023, provided for greater flexibility for managing the money market borrowings. The RBI has decided that SCBs (excluding Small Finance Banks) can set their own limits for borrowing in Call and Notice Money Markets within the prudential limits for inter-bank liabilities prescribed by the RBI.

By a notification dated July 30, 2024, the RBI has released a Master Circular No. RBI/DPSS/2024-25/123 it was announced in the Statement on Developmental and Regulatory Policies issued as part of Monetary Policy Statement dated April 8, 2022, that the RBI will issue directions on Cyber Resilience and Payment Security Controls for Payment System Operators (“PSOs”). These directions aim to improve safety and security of the payment systems operated by PSOs by providing a framework for overall information security preparedness with an emphasis on cyber resilience.

Classification and Reporting of Fraud Cases

The RBI (Frauds Classification and Reporting by Commercial Banks and Select Financial Institutions) Directions 2016 dated July 1, 2016 (“**Fraud Directions**”), provide a framework for enabling banks to detect and report frauds early and taking timely consequent actions like reporting to the investigative agencies so that fraudsters are brought to book early, examining staff accountability and do effective fraud risk management. Information relating to frauds for quarters ending June, September and December shall be placed before the

audit committee of the board of directors. Banks are also required to conduct an annual review of the frauds and place a note before the board of directors for information.

Additionally, banks have to constitute a special committee for monitoring and follow up of frauds, which should meet and review as and when a fraud involving an amount of Rs. 10 million and above comes to light. Further, pursuant to the RBI notification dated January 21, 2016, banks are required to furnish a Flash Report for frauds involving amounts of Rs. 50 million and above within a week of such frauds coming to the notice of the bank's head office. The RBI amended the Fraud Directions on July 3, 2017, creating a web-based and searchable database titled the 'Central Fraud Registry' which has been made available to banks and select financial institutions to check fraud monitoring returns.

RBI Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions dated July 15, 2024

The aforesaid directions are issued with a view to providing a framework to banks for prevention, early detection and timely reporting of incidents of fraud to Law Enforcement Agencies, the RBI and NABARD and dissemination of information by the RBI and matters connected therewith or incidental thereto.

There shall be a Board approved policy which shall also incorporate measures for ensuring compliance with principles of natural justice approved policy on fraud risk management delineating roles and responsibilities of Board / Board Committees and Senior Management of the bank in a time bound manner.

The Fraud Risk Management Policy shall be reviewed by the Board at least once in three years, or more frequently, as may be prescribed by the Board. Banks shall constitute a Committee of the Board to be known as the Special Committee of the Board for Monitoring and Follow-up of cases of Frauds ("SCBMF"). The Senior Management shall be responsible for implementation of the fraud risk management policy approved by the Board of the bank.

Banks shall put in place a transparent mechanism to ensure that whistleblower complaints on possible fraud cases or suspicious activities in account(s) are examined and concluded appropriately under their whistleblower policy. Banks shall set-up an appropriate organizational structure for institutionalization of fraud risk management within their overall risk management functions / department.

Banks shall have a framework for early warning signals ("EWS") and Red Flagging of Accounts ("RFA") under the overall Fraud Risk Management Policy approved by the Board. A Red Flagged Account is one where suspicion of fraudulent activity is thrown up by the presence of one or more EWS indicators, alerting / triggering deeper investigation from potential fraud angle and initiating preventive measures by the banks. The Risk Management Committee of the Board shall oversee the effectiveness of the framework for EWS and RFA.

In case of a credit facility / loan account classified as red-flagged account, banks shall use an external audit or an internal audit as per their Board approved Policy, for further investigation in such accounts. PSBs and AIFIs shall conduct examination of staff accountability as per the guidelines issued by the Central Vigilance Commission.

To ensure uniformity and consistency while reporting incidents of fraud to the RBI through Fraud Monitoring Returns using an online portal, banks can choose categories like (i) misappropriation of funds and criminal breach of trust; (ii) fraudulent encashment through forged instruments; (iii) manipulation of books or accounts or through fictitious accounts, and conversion of property. Banks shall put in place systems and procedures to ensure that the information available in Central Fraud Registry is used for credit risk and fraud risk management effectively. During the course of the audit, auditors may come across instances where the transactions in the account or the documents point to the possibility of fraudulent transactions in the account.

In such a situation, the auditor should immediately bring it to the notice of the senior management and if necessary, to the Audit Committee of the Board of the bank for appropriate action

Secrecy Obligations

The Issuer's obligations relating to maintaining secrecy arise out of the SBI Act and common law principles governing its relationship with its customers. Subject to certain exceptions, a bank cannot disclose any information to third parties. The RBI may, in public interest, publish the information obtained from the Issuer.

Recovery of Debts

The Recovery of Debts Due to Banks and Financial Institutions Act, 1993 ("**RDDBI Act**") (which was renamed as "The Recovery of Debts and Bankruptcy Act, 1993" pursuant to an amendment in 2019) was enacted for adjudication of disputes pertaining to debts due to banks and financial institutions exceeding Rs. 1 million. The RDDBI Act provides for the constitution of debt recovery tribunals, before which banks and financial institutions may file applications for recovery of debts. No court or other authority, except the Supreme Court of India or a High Court exercising writ jurisdiction under the Constitution of India, shall have, or is entitled to exercise, any jurisdiction, powers or authority in relation to the aforementioned matter.

Enforcement of Security Interest

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, including (i) taking possession of the secured assets or (ii) taking over the management of the business of the borrower including the right to transfer by way of lease, assignment or sale for realizing the secured assets. 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 a non-performing asset 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. In accordance with the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016, the definition of debt has been expanded to include fund raising through debt securities and consequently, the definition of a secured creditor under the SARFAESI Act has been expanded to include a debenture trustee appointed by the company for debt securities.

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 issues by the RBI. Consideration for the sale may be in the form of cash, bonds or debentures or security receipts or pass through or pay through certificates issued by the asset reconstruction company or trusts set up by it to acquire the financial assets.

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 relevant court for the recovery of the balance amounts. A secured creditor may also simultaneously pursue its remedies under the SARFAESI Act.

Insolvency and Bankruptcy

The IBC is one of the biggest legal reforms in the economic sector and received the assent of the President and was notified in the Official Gazette on May 28, 2016. The IBC primarily consolidates the existing insolvency law, *inter alia*, relating to companies and corporate entities with the objective of providing clarity

and consistency in the treatment of all the stakeholders in the insolvency process. The objective of the IBC is to promote entrepreneurship, availability of credit, and balance the interests of all stakeholders by consolidating and amending the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a timely manner and for maximization of value of assets of such persons and matters connected therewith or incidental thereto.

The IBC classifies creditors into financial creditors and operational creditors, which includes creditors in respect of financial loans for interest and loans arising from the operational nature of the debtor, respectively. The IBC proposes to appoint specialized insolvency resolution professionals to assist companies and corporate entities through the insolvency process. The IBC provides a 180-day timeline for completing a corporate insolvency resolution process (“**CIRP**”) initiated against a corporate debtor which may be extended by an additional 90 days and is required to be completed within a maximum timeline of 330 days. Currently, as per the IBC, any insolvency resolution plan prepared by insolvency professionals is required to be approved by 66% of the financial creditors and further sanction from the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation. The National Company Law Tribunal will be the adjudicating authority with jurisdiction over companies and limited liability entities.

The Indian Parliament on January 19, 2018, passed the Insolvency and Bankruptcy Code (Amendment) Act, 2017. The amendments aim to keep-out such persons from submitting resolution plans who have willfully defaulted, are associated with non-performing assets, or are habitually non-compliant and, therefore, are likely to be a risk to successful resolution of the insolvency of a company.

The Indian Parliament further enacted the Insolvency and Bankruptcy Code (Second Amendment) Act, 2018 which came into force from June 6, 2018. This amendment has reviewed norms pertaining to enforcement of third-party security which has to be provided by the corporate debtor. Further, the voting threshold has been brought down to 66% from 75% for all major decisions such as approval of resolution plan and extension of corporate insolvency resolution process period, among. Further, in order to facilitate the corporate debtor to continue as a going concern during the corporate insolvency resolution process, the voting threshold for routine decisions has been reduced to 51%. This amendment provides relief to home buyers who are now to be treated as financial creditors and therefore will be able to decide the future of defaulting builders alongside their lenders.

The IBC aims to consolidate the laws relating to insolvency of companies and limited liability entities (including limited liability partnerships and other entities with limited liability), unlimited liability partnerships and individuals, presently contained in a number of legislations, into a single legislation. Such consolidation will provide for a greater clarity in law and facilitate the application of consistent and coherent provisions to different stakeholders affected by business failure or inability to pay debt. The vision of the new law is to encourage entrepreneurship and innovation. The IBC is a comprehensive and systemic reform, which will have a significant effect on the functioning of the credit market.

Key features of the IBC are as follows:

- Debt Recovery Tribunal and National Company Law Tribunal to act as adjudicating authority and to deal with the cases related to insolvency, liquidation and bankruptcy process in respect of individuals, unlimited partnership firms and in respect of companies and limited liabilities entities respectively.
- Establishment of an Insolvency and Bankruptcy Board of India to exercise regulatory oversight over insolvency professionals, insolvency professional agencies and any person who is registered with the Board as an information utility under section 210 of the IBC (“**Information Utilities**”).
- Insolvency professionals shall handle the commercial aspects of the insolvency resolution process. Insolvency professional agencies will develop professional standards, a code of ethics

and be the first level regulator for insolvency professional members leading to development of a competitive industry for such professionals.

- Information Utilities shall collect, collate, authenticate and disseminate financial information to be used in insolvency, liquidation and bankruptcy proceedings.

Exercising its powers under Section 4 of the IBC, the Government of India issued a notification on March 24, 2020 increasing the *de minimis* amount for filing an application to initiate CIRP of a corporate debtor from Rs. 100,000 to Rs. 10,000,000.

The Government of India promulgated the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2020 (“**IBC Ordinance**”) dated June 5, 2020 inserting Section 10A in the IBC which states that notwithstanding anything contained in sections 7, 9 and 10 of the IBC, no application for initiation of CIRP of a corporate debtor can be filed, for any default arising on or after March 25, 2020 for a period of six months or such further period, not exceeding one year from such date, as may be notified in this behalf. The IBC Ordinance further states that no application can ever be filed for initiation of CIRP of a corporate debtor for the said default occurring during the said period.

The Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021 was promulgated on April 4, 2021. The Ordinance introduced an alternate insolvency resolution process for MSMEs, called the pre-packaged insolvency process (“**PIRP**”). The PIRP may be initiated only by the corporate debtor who classifies as an MSME under the MSME Development Act, 2006. The corporate debtor must also have a base resolution plan as per the requirements of the IBC. The management of affairs of the corporate debtor continue to vest in the Board of Directors or the partners of the corporate debtor, as the case may be. The initiation of the PIRP process must be approved by financial creditors of the corporate debtor, not being related parties, representing at least 66% in value of the financial debt due to such creditors. The resolution plan must be approved by the committee of creditors, by a vote not less than 66% of the voting shares, after considering its feasibility and viability.

The Government of India issued the Insolvency and Bankruptcy Code (Amendment) Act, 2021, and added a proviso after the existing proviso which states that the Government of India may, by notification, specify such minimum amount of default of higher value, which shall not be more than one crore rupees, for matters relating to the pre-packaged insolvency resolution process of corporate debtors under Chapter III-A.

Banking Ombudsman

The Banking Ombudsman Scheme, 2006 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. On February 3, 2009, this scheme was amended to provide for revised procedures for redressal of grievances by a complainant. The Banking Ombudsman receives and considers complaints relating to the deficiencies in banking or other services filed scheme and facilitate satisfaction or settlement by agreement or through conciliation and mediation between the bank concerned and aggrieved parties, or by passing an award in accordance with the Scheme.

The RBI by a press release dated May 11, 2015 has advised all public sector banks and some private sector and foreign banks to appoint an internal ombudsman. The internal ombudsman would be designated Chief Customer Service Officer (“**CCSO**”). The CCSO should not have worked in the bank in which he/she is appointed as CCSO. The RBI has taken this initiative to further boost the quality of customer service and to ensure undivided attention to resolution of customer complaints in banks. The RBI is yet to issue detailed operational guidelines in this regard.

RBI has further reviewed the arrangement and issued revised directions under Section 35 A of the Banking Regulation Act, 1949 in the form of “Internal Ombudsman Scheme, 2018”.

By a notification dated November 12, 2021 (Ref. CEPD. PRD. No.S873/13.01.001/2021-22) the RBI in order to make the alternate dispute redress mechanism simpler and more responsive to the customers of entities regulated by it, hereby integrates the three Ombudsman schemes: (i) the Banking Ombudsman Scheme, 2006, as amended up to July 01, 2017; (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018; and (iii) the Ombudsman Scheme for Digital Transactions, 2019 into the Reserve Bank – Integrated Ombudsman Scheme, 2021.

Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023

The RBI has institutionalized the Internal Ombudsman mechanism in various regulated entities vide instructions / guidelines contained in the Internal Ombudsman Scheme 2018- Implementation by banks dated September 3, 2018, Internal Ombudsman Scheme for Non-Bank System Participants, 2019 dated October 22, 2019, Appointment of Internal Ombudsman by Non-Banking Financial Companies dated November 15, 2021 and Reserve Bank of India (Credit Information Companies - Internal Ombudsman) Direction, 2022 dated October 6, 2022. The Internal Ombudsman mechanism has been set up with a view to strengthen the Internal Grievance Redress system of the regulated entities.

By a notification dated December 29, 2023, the RBI has issued directions with a view to strengthen the Internal Grievance Redress mechanism within a Regulated Entity and ensure a proper and speedy resolution of customer complaints by enabling a review before their rejection, by an apex level authority within the Regulated Entity. These Directions integrate and update the erstwhile Internal Ombudsman Schemes issued by the Reserve Bank for banks, Non-Banking Financial Companies (“NBFCs”), Non-bank System Participants (“NBSPs”) and Credit Information Companies (“CICs”).

The regulated entities have been further advised by RBI as follows:

- (i) The Internal Ombudsman appointed by the regulated entity, under the erstwhile Internal Ombudsman Schemes / Direction shall continue to hold office till the expiry of their tenure.
- (ii) The regulated entities not currently falling under the Internal Ombudsman Schemes / Direction may closely monitor their eligibility as per the prescribed provisions for timely appointment of Internal Ombudsman in their entity, as required.
- (iii) The regulated entity shall appoint the Internal Ombudsman after satisfying themselves that the prerequisites are fulfilled for the appointment of Internal Ombudsman. The Internal Ombudsman shall either be a retired or serving officer, in the rank equivalent to a General Manager of another bank / Financial Sector Regulatory Body / NBSP / NBFC / CIC, having necessary skills and experience of minimum seven years of working in areas such as banking, non-banking finance, regulation, supervision, payment and settlement systems, credit information or consumer protection.
- (iv) The Internal Ombudsman shall report to the Competent Authority, as defined under clause 3(1)(c) of the Directions, of the regulated entity administratively, and to the Board of regulated entity functionally.

Ownership restrictions

In terms of the FDI Policy, the total foreign ownership in a public sector bank cannot exceed 20.00% of its paid-up equity share capital, subject to government approval and provisions of the Banking Companies (Acquisition & Transfer of Undertakings) Acts 1970 (“**Banking Companies Act**”). This includes investment under the portfolio investment scheme as well. Further, the Banking Companies Act requires that shareholding

of the Government of India in all corresponding new banks, including the Issuer, at all times be a minimum of 51.00%. Further, not more than 20.00% of the shareholding of all corresponding new banks, including the Issuer, can be held by foreign entities. Raising of further share capital is permitted under the Banking Companies Act subject to consultation with the RBI and obtaining the prior approval of the Government.

SEBI has through circular dated April 5, 2018, put in place a new system for monitoring foreign investment limits in listed Indian companies, and by its circular dated May 17, 2018, SEBI directed that the system be operational from June 1, 2018. Accordingly, the listed Indian company shall have to appoint any one depository as its designated depository to facilitate monitoring of the foreign investment limits.

Regulations governing banking units in International Financial Services Centers in India

The IFSCA is a statutory authority established under the International Financial Services Centres Authority Act, 2019 for the development and regulation of financial products, financial services and financial institutions situated at the International Financial Services Centers (the “IFSC”).

The SEBI (IFSC) Guidelines were promulgated to regulate financial services relating to securities in an IFSC created under Section 18(1) of the Special Economic Zones Act, 2005. The guidelines apply to any entity that intends to operate in an IFSC to render financial services relating to securities market and prescribe the eligibility and shareholding limit for stock exchanges, clearing corporations and depositories. The guidelines also prescribe conditions to be complied with for issuing capital in an IFSC.

The provisions relating to issuance and listing of specified securities and debt securities specified under the Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015, had been superseded by the IFSCA (Issuance and Listing Securities) Regulations, 2021 which permitted debt securities to be issued by an issuer incorporated in IFSC. These regulations stand repealed.

The new and latest IFSCA (Listing) Regulations, 2024 (which replace the aforesaid regulations of 2021) provide a unified regulatory framework for listing of securities and other permitted financial products have been notified on August 30, 2024.

The listing of the Notes is in compliance with the IFSCA (Listing) Regulations, 2024, as amended from time to time.

The Bank also has presence in the International Financial Service Centre Banking Unit at the Gujarat International Finance Tec-City (“GIFT-City”) in Gandhinagar, Gujarat. The unit in GIFT-City is regulated by the unified regulator, the IFSCA.

The provisions relating to banking activities in the IFSC are provided under the International Financial Services Centres Authority (Banking) Regulations, 2020. These regulations *inter alia* provide for the requirements for setting up an IFSC Banking Unit or IBU.

Branches of Indian Banks operating in GIFT-IFSC – acting as Professional Clearing Member (“PCM”) of India International Bullion Exchange IFSC Limited (“IIBX”) RBI/2022-23/62 DoR.AUT.REC.41/24.01.001/2022-23 June 7, 2022

The RBI has decided to allow the branches of Indian banks operating in GIFT-IFSC to act as PCM of IIBX.

The key provisions are as follows:

1. Applicability

The instructions are applicable to domestic SCBs (including foreign banks operating through a Wholly Owned Subsidiary incorporated in India), which are authorized to deal in foreign exchange and have a branch in GIFT-IFSC.

2. Procedure for Application

The parent bank (“**bank**”) shall seek a No Objection Certificate from RBI prior to its branch in GIFT-IFSC seeking professional clearing membership of IIBX, subject to fulfilment of the prudential requirements as set out in Para 21 of the Master Direction/DBR.FSD.No.101/24.01.041/2015-16 dated May 26, 2016. An eligible bank shall, with prior approval of its Board, make an application to the Department of Regulation, Reserve Bank of India with details of its proposed business plan as a PCM along with particulars of the risk management architecture instituted at its branch in GIFT-IFSC.

3. Terms and Conditions

While operating as a PCM of IIBX, the bank shall ensure strict compliance on a continuing basis with the following conditions:

- (a) The bank shall ensure adherence to extant RBI guidelines on capital requirements for their exposures (including but not limited to default fund contributions, posted collateral, exposure to clients, trade exposure to central counterparty) arising from its branch in GIFT-IFSC functioning as PCM on IIBX. The bank shall comply with the regulatory capital requirement of the host or home regulator, whichever is more stringent.
- (b) The bank shall ensure adherence to extant RBI guidelines on management of liquidity risk (including those arising from its functioning as a PCM of IIBX) as issued from time to time.
- (c) The bank shall ensure adherence to the extant RBI guidelines on large exposure framework as issued from time to time, including all exposures taken by its branch in GIFT-IFSC.
- (d) In line with the extant prudential regulations applicable to the bank, its branch in GIFT-IFSC shall, with the approval of the bank’s Board, put in place an effective risk management framework including the prudential limits in respect of each of its trading clients, taking into account their net worth, business turnover, and other relevant parameters as per the bank’s assessment. The risk control measures prescribed under the framework shall be in compliance with the guidelines/directions issued by the host or home regulator, whichever is more stringent.
- (e) The branch of the bank in GIFT-IFSC may, as a PCM of IIBX, clear and settle trades executed by its clients as trading members of the exchanges subject to the condition that the total exposure which the branch would take on its clients should be determined by the Board in relation to the Tier 1 capital of the bank as well as the capital of its branch in GIFT-IFSC and shall be monitored on an ongoing basis. However, the bank shall ensure that its branch in GIFT-IFSC, in its role as a PCM, does not undertake any transaction/activity on IIBX other than what is required as a professional clearing member.
- (f) The bank shall ensure strict compliance with various margin requirements as may be prescribed by its Board.
- (g) The bank shall comply with all the conditions, if any, stipulated by other regulatory bodies that may be relevant for its role as a PCM.

Implementation of Indian Accounting Standards (“IND-AS”)

The MCA, in its press release dated January 18, 2016, issued a roadmap for the implementation of IND-AS converged with the IFRS issued by the International Accounting Standards Board, with certain carve-outs for SCBs, insurance companies and non-banking financial companies (“**2016 roadmap**”).

The 2016 roadmap required such institutions to prepare IND-AS based financial statements for accounting periods commencing on or after April 1, 2018, and to prepare comparative financial information for accounting periods commencing on or after April 1, 2017. The MCA notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015, pursuant to which banking companies were exempted from complying with IND-AS for preparation of financial statements. However, in terms of the MCA press release dated January 18, 2016, SCBs were required to prepare IND-AS based financial statements on a consolidated and standalone basis for accounting periods beginning from April 1, 2018 onwards, with comparatives for the period ending March 31, 2018 or thereafter.

The RBI, in its circular dated February 11, 2016, required all SCBs to comply with IND-AS for financial statements for the periods stated above. It also advised SCBs to set up a Steering Committee headed by an official of the rank of an Executive Director (or equivalent) comprising members from cross-functional areas of the bank to immediately initiate the IND-AS implementation process. The RBI through a notification dated March 22, 2019, has further deferred the Ind-AS implementation till further notice. The RBI does not permit banks to voluntarily adopt IND-AS earlier.

With some of the key reserve requirements getting further leeway for implementation, it is likely that the adoption of IND-AS for banks may be further extended by two years. The RBI could defer the implementation of IND-AS – the Indian version of global accounting standards – to fiscal year 2024. The new rules are expected to add to the burden of higher capital requirements for banks, especially loan loss provisions. The RBI issued the Master Direction - Reserve Bank of India (Asset Reconstruction Companies) Directions, 2024 dated April 24, 2024, clarifying the treatment of management fees, in accordance with IND-AS for asset reconstruction companies.

Recent Key Regulatory Developments

IFSCA (Anti Money Laundering, Counter Terrorist Financing and Know Your Customer) Guidelines, 2022, Banking Regulation/2022-23/4, dated October 28, 2022

As per this notification, IFSC Banking Units have been directed to follow the IFSCA ‘know your customer’ guidelines with immediate effect, viz. the International Financial Services Centers Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022 dated October 28, 2022, (“**IFSCA KYC Guidelines**”) as published in the Official Gazette on November 1, 2022, (Ref. No. IFSCA/2022-23/GN/GL001). IFSC Banking Units have also been advised that guidelines/ circulars of the domestic financial sector regulators on the issues covered by the IFSCA KYC Guidelines shall cease to apply with immediate effect. The guidelines have been further amended in 2023, 2024 and most recently in 2025.

Consultation Paper on IFSCA (Board for Regulation and Supervision of Payment and Settlement Systems) Regulations, 2024

As per these proposed regulations, the Board, chaired by the IFSCA Chairperson and comprising Whole Time Members and up to three nominated Members, is responsible for regulating and supervising payment systems within IFSCs. Its functions include policy formulation, standards setting, authorization of payment systems, membership criteria determination, administration of regulations, and consumer protection. The Authority will provide necessary resources, and the Board must report quarterly on its activities. Sub-Committees and Advisory Committees may be formed to support the Board, which must meet at least quarterly with a quorum of three Members, including the Chairperson and one nominated Member.

International Financial Services Centres Authority (Payment Services) Regulations, 2024

These regulations categorise Payment Service Providers (PSPs) into “regular” and “significant”, and detail authorisation requirements including minimum net-worth and fit and proper criteria. They empower IFSC entities to offer and receive a wide array of financial services, such as account issuance, e-money issuance, escrow, cross-border money transfer, and merchant acquisition.

Recent Regulatory Updates – Reserve Bank of India

- (A) **The Statement on Developmental and Regulatory Policies issued by RBI (pursuant to press release dated April 23, 2024) sets out various developmental and regulatory policy measures relating to (i) Financial Markets; (ii) Regulations; and (iii) Payment Systems and Fintech.**

I. Financial Markets

Trading of Sovereign Green Bonds in IFSC

Based on an announcement in the Union Budget for FY 2022-23, the Government of India issued Sovereign Green Bonds (SGrBs) in January 2023. SGrBs were also issued as part of the Government borrowing calendar in FY 2023-24. At present, foreign portfolio investors (FPIs) registered with SEBI are permitted to invest in SGrBs under the different routes available for investment by FPIs in government securities. With a view to facilitating wider non-resident participation in SGrBs, it has been decided to permit eligible foreign investors in the International Financial Services Centre (IFSC) to also invest in such bonds. A scheme for investment and trading in SGrBs by eligible foreign investors in IFSC is being notified separately in consultation with the Government and the IFSC Authority.

RBI Retail Direct Scheme - Introduction of Mobile App

RBI Retail Direct Scheme, launched in November 2021, gives access to individual investors to maintain gilt accounts with RBI and invest in government securities. The Scheme enables investors to buy securities in primary auctions as well as buy/sell securities through the NDS-OM platform. To further improve ease of access, a mobile application of the Retail Direct portal is being developed. The mobile application will enable investors to buy and sell instruments on the go, at their convenience.

II. Regulations

Review of LCR Framework

Banks covered under Liquidity Coverage Ratio (LCR) framework are required to maintain a stock of high quality liquid assets (HQLA) to cover the expected net cash outflows in the next 30 calendar days. However, the recent episodes in some jurisdictions have demonstrated the increased ability of the depositors to quickly withdraw or transfer deposits during times of stress, using digital banking channels. Such emerging risks may require a revisit of certain assumptions under LCR framework. Therefore, certain modifications to the LCR framework are being proposed towards facilitating better management of liquidity risk by the banks.

Dealing in Rupee Interest Rate Derivative products – Small Finance Banks

Extant guidelines permit Small Finance Banks (SFBs) to use only Interest Rate Futures (IRFs) for the purpose of proprietary hedging. In order to expand the avenues available to the SFBs for hedging interest rate risk in their balance sheet and commercial operations more effectively as well as with a view to provide them with greater flexibility, it has now been decided to allow them to deal in permissible rupee interest derivative products in terms of Rupee Interest Rate Derivatives (Reserve Bank) Directions, 2019.

III. Payment Systems and Fintech

Enabling UPI for Cash Deposit Facility

Cash Deposit Machines (CDMs) deployed by banks enhance customer convenience while reducing cash-handling load on bank branches. The facility of cash deposit is presently available only through use of debit cards. Given the popularity and acceptance of UPI, as also the benefits seen from the availability of UPI for card-less cash withdrawal at ATMs, it is now proposed to facilitate cash deposit facility through use of UPI.

UPI access for Prepaid Payment Instruments (PPIs) through third-party applications

At present, UPI payments from bank accounts can be made by linking a bank account through the UPI App of the bank or using any third-party UPI application. However, the same facility is not available for PPIs. PPIs can currently be used to make UPI transactions only by using the application provided by the PPI issuer. To provide more flexibility to PPI holders, it is now proposed to permit linking of PPIs through third-party UPI applications. This will enable the PPI holders to make UPI payments like bank account holders.

Distribution of CBDCs through Non-bank Payment System Operators

CBDC pilots in the Retail and Wholesale segments are underway with more use-cases and more participating banks. Continuing with this approach, it is proposed to make CBDC-Retail accessible to a broader segment of users in a sustained manner, by enabling non-bank payment system operators to offer CBDC wallets. This is expected to enhance access and expand choices available to users apart from testing the resiliency of the CBDC platform to handle multi-channel transactions.

- (B) The Statement on Developmental and Regulatory Policies issued by RBI (pursuant to press release dated June 7, 2024) sets out various developmental and regulatory policy measures relating to (i) Financial Markets; (ii) Regulations; and (iii) Payment Systems and Fintech.**

I. Regulations

Review of limit of Bulk Deposits for SCBs (excluding RRBs), Small Finance Banks and Local Area Banks

Banks have discretion to offer differential rate of interest on the bulk deposits as per their requirements and Asset-Liability Management (ALM) projections. The bulk deposits limit was enhanced in the year 2019 for Scheduled Commercial Banks (SCBs) (excluding Regional Rural Banks) and Small Finance Banks (SFBs) as ‘Single Rupee term deposits of ₹2 crore and above’. On a review, it is proposed to revise the definition of bulk deposits as ‘Single Rupee term deposits of ₹3 crore and above’ for SCBs (excluding RRBs) and SFBs. Further, it is also proposed to define the bulk deposit limit for Local Area Banks as ‘Single Rupee term deposits of ₹1 crore and above’ as applicable in case of RRBs.

Rationalisation of Export and Import regulations under Foreign Exchange Management Act (FEMA), 1999

Keeping in view the progressive liberalisation under FEMA 1999 and to impart greater operational flexibility to Authorized Dealer banks, Reserve Bank has decided to rationalise existing guidelines on export and import of goods and services in line with the changing dynamics of cross-border trade transactions globally. The proposed rationalisation aims to simplifying operational procedures thereby promoting ease of doing business for all the stakeholders. The draft regulations and directions would be placed on the Bank’s website by end June 2024, for feedback from all the stakeholders before finalising the same.

II. Payment Systems and Fintech

Setting up a Digital Payments Intelligence Platform

The Reserve Bank, over the years, has undertaken a number of measures for the safety and security of digital payments to maintain public confidence in digital payment systems. Sustaining such confidence would require minimising incidence of frauds. Many frauds occur by influencing unsuspecting victims to make the payment or share credentials. While the payment ecosystem (banks, NPCI, card networks, payment aggregators, and payment apps) take various measures on an ongoing basis to protect customers from such frauds, there is a need for network-level intelligence and real-time data sharing across payment systems.

It is, therefore, proposed to set up a Digital Payments Intelligence Platform which will harness advanced technologies to mitigate payment fraud risks. To take this initiative forward, the Reserve Bank has constituted a committee (Chairman: Shri A.P. Hota, former MD & CEO, NPCI) to examine various aspects of setting up a digital public infrastructure for Digital Payments Intelligence Platform. The Committee is expected to give its recommendations within two months.

Inclusion of recurring payments for Fastag, National Common Mobility Card (NCMC), etc. with auto-replenishment facility under the e-mandate framework

- (i) The Framework for processing of e-Mandate for recurring transactions, issued by RBI on January 10, 2020 currently enables recurring payments with fixed periodicity such as daily, weekly, monthly, etc. It is now proposed to include payments, such as replenishment of balances in Fastag, NCMC, etc. which are recurring in nature but without any fixed periodicity, into the e-mandate framework. These categories of payments are made as and when needed and, therefore, their replenishment is not time specific or amount specific. Under the e-mandate framework, it is proposed to introduce an automatic replenishment facility for such payments. The automatic replenishment will be triggered when the balance in Fastag or NCMC falls below a threshold amount set by the customer.
- (ii) The current e-mandate framework requires a pre-debit notification at least a 24-hours before the actual debit from customer's account. It is proposed to exempt this requirement for payments made from customer's account for automatic replenishment of balances in Fastag, NCMC, etc. under the e-mandate framework.

Introducing auto-replenishment of UPI Lite wallet - Inclusion under the e-mandate framework

The UPI Lite facility currently allows a customer to load his UPI Lite wallet up to ₹2000/- and make payments up to ₹500/- from the wallet. In order to enable the customers to use the UPI Lite seamlessly, and based on the feedback received from various stakeholders, it is proposed to bring UPI Lite within the ambit of the e-mandate framework by introducing an auto-replenishment facility for loading the UPI Lite wallet by the customer, if the balance goes below a threshold amount set by him/her. Since the funds remain with the customer (funds move from his/her account to wallet), the requirement of additional authentication or pre-debit notification is proposed to be dispensed with.

RBI Hackathon HARBINGER 2024 – Innovation for Transformation

RBI has been continuously working towards ensuring trust, safety, security and inclusivity in the financial system focusing on inclusive access and minimisation of frauds. Technology has opened up effective possibilities of identifying and preventing financial frauds as well as widening the reach of financial services, thereby ensuring equitable access to financial products and services.

The Bank has been encouraging innovation in identified focus areas through its annual Hackathons. The third edition of our global hackathon, “HaRBInger 2024 – Innovation for Transformation” will be

launched with two overarching themes viz., ‘Zero Financial Frauds’ and ‘Being Divyang Friendly’. Solutions aimed at enhancing safety and security of digital transactions with focus on detecting, preventing and combating financial frauds, as also prioritising inclusivity for persons with physical disabilities, will be invited as part of HaRBInger 2024. Further details in this regard shall be released shortly

(C) The Statement on Developmental and Regulatory Policies issued by RBI (pursuant to press release dated August 8, 2024) sets out various developmental and regulatory policy measures relating to (i) Regulations; and (ii) Payment Systems.

I. Regulations

Public Repository of Digital Lending Apps

Guidelines on Digital Lending addressing protection of customers interest, data privacy, concerns on interest rates and recovery practices, mis-selling, etc. were issued on September 02, 2022. However, media reports have highlighted continued presence of unscrupulous players in digital lending who falsely claim their association with RBI regulated entities (REs). Accordingly, to aid the customers in verifying the claim of Digital Lending App’s (DLAs) association with REs, Reserve Bank is creating a public repository of DLAs deployed by the REs which will be available on RBI’s website. The repository will be based on data submitted by the REs (without any intervention by RBI) directly to the repository and will get updated as and when the REs report the details, i.e., addition of new DLAs or deletion of any existing DLA. Detailed instructions in this regard shall be issued shortly.

Frequency of Reporting of Credit Information to Credit Information Companies

At present credit institutions (CIs) are required to report the credit information of their borrowers to credit information companies (CICs) at monthly or such shorter intervals as mutually agreed between the CI and CIC. With a view to provide a more up-to-date picture of a borrower’s indebtedness, it has been decided to increase the frequency of reporting of credit information to CICs from monthly intervals to fortnightly basis or at such shorter intervals as mutually agreed between the CI and CIC. The fortnightly reporting frequency would ensure that credit information reports provided by CICs reflect a more recent information. This will be beneficial to both borrowers and lenders (CIs). Borrowers will have the benefit of faster updation of information, especially when they have repaid the loans. Lenders will be able to make better risk assessment of borrowers and also reduce the risk of over-leveraging by borrowers. Necessary instructions will be issued shortly.

II. Payment Systems

Enhancing Transaction Limits for Tax Payments through UPI

UPI has become the most-preferred mode of payments, due to its seamless features. Currently, the transaction limit for UPI is capped at ₹1 lakh. Based on the various use-cases, the Reserve Bank has periodically reviewed and enhanced the limits for a few categories like capital markets, IPO subscriptions, loan collections, insurance, medical and educational services etc.

As direct and indirect tax payments are common, regular and high value, it has been decided to enhance the limit for tax payments through UPI from ₹1 lakh to ₹5 lakh per transaction. Necessary instructions will be issued separately.

Introduction of Delegated Payments through UPI

The Unified Payments Interface (UPI) has a very large user base of 424 million individuals. There is, however, potential for further expansion of the user base.

It is proposed to introduce "Delegated Payments" in UPI. "Delegated Payments" would allow an individual (primary user) to set a UPI transaction limit for another individual (secondary user) on the primary user's bank account. This product is expected to add to the reach and usage of digital payments across the country. Detailed instructions will be issued shortly.

Continuous Clearing of Cheques under Cheque Truncation System (CTS)

Cheque Truncation System (CTS) currently processes cheques with a clearing cycle of up to two working days. To improve the efficiency of cheque clearing and reduce settlement risk for participants, and to enhance customer experience, it is proposed to transition CTS from the current approach of batch processing to continuous clearing with 'on-realisation-settlement'. Cheques will be scanned, presented, and passed in a few hours and on a continuous basis during business hours. The clearing cycle will reduce from the present T+1 days to a few hours. Detailed guidelines in this regard shall be issued shortly.

(D) The Statement on Developmental and Regulatory Policies issued by RBI (pursuant to press release dated October 09, 2024) sets out various developmental and regulatory policy measures relating to (i) Regulations; and (ii) Payment Systems.

I. Regulations

Responsible Lending Conduct – Levy of Foreclosure Charges/ Pre-payment Penalties on Loans

In terms of extant guidelines, banks and NBFCs are not permitted to levy foreclosure charges/ pre-payment penalties on any floating rate term loan sanctioned to individual borrowers with or without co-obligant(s), for purposes other than business. With a view to safeguard customers' interest through better transparency and customer centricity by lenders, it has been decided to broaden the scope of such regulations to cover loans to Micro and Small Enterprises (MSEs) extended by the Regulated Entities of the Reserve Bank. A draft circular in this regard shall be issued by the RBI.

Discussion Paper on Capital Raising Avenues for Primary (Urban) Co-operative Banks

The initial set of guidelines on issue and regulation of share capital and securities for Primary (Urban) Co-operative Banks (UCBs) to ensure alignment with the Banking Regulation (Amendment) Act, 2020 were issued in 2022. However, these guidelines did not cover the newly enabled capital related provisions such as issuance of special shares, issuance of shares at a premium, etc., which are new to co-operative banking sector. The Report of the Expert Committee on Primary (Urban) Co-operative Banks chaired by Shri. N.S. Vishwanathan, former Deputy Governor, RBI, had provided broad guiding principles through its recommendations on these provisions.

A Working Group was constituted in RBI to further operationalise the broad-based recommendations of the Expert Committee on the newly enabled capital related provisions. Based on the recommendations of the Working Group, a Discussion Paper on Capital Raising Avenues for Primary (Urban) Co-operative Banks will be issued by RBI.

Creation of Reserve Bank Climate Risk Information System (RB-CRIS)

Climate change is emerging as one of the significant risks to the financial system. It is crucial for regulated entities to undertake climate risk assessments for ensuring stability of their balance sheets and that of the financial system. Such an assessment requires, among other things, high quality data relating to local climate scenarios, climate forecasts, and emissions. The available climate related data is characterised by various gaps such as fragmented and varied sources, differing formats, frequencies and units. To bridge these gaps, the Reserve Bank proposes to create a data repository namely, the Reserve Bank – Climate Risk Information System (RB-CRIS) comprising of two parts. The first part will be a web-based directory, listing various data sources, (meteorological, geospatial, etc.) which will be

publicly accessible in the RBI website. The second part will be a data portal comprising of datasets (processed data in standardised formats). The access to this data portal will be made available only to the regulated entities in a phased manner.

II. Payment Systems

UPI - Enhancement of limits:

In order to encourage wider adoption of UPI, it has been decided to enhance the limits for the following products of UPI:

- (i) **UPI123Pay:** UPI123 was launched in March 2022, with a view to enable feature-phone users to use UPI. This facility is now available in 12 languages. Currently, the per-transaction limit in UPI123Pay is capped at ₹5000. In order to widen the use-cases, in consultation with the stakeholders, it has been decided to enhance the per-transaction limit to ₹10,000. Necessary instructions will be issued to NPCI shortly.
- (ii) **UPI Lite:** A limit of ₹500 per transaction and an overall limit of ₹2000 per UPI Lite wallet, is presently applicable, with the facility of auto-replenishment. To widen the scope of usage of this product, it has now been decided to increase the UPI Lite wallet limit to ₹5,000 and per-transaction limit to ₹1,000. The Framework for facilitating small value payments in offline digital mode, issued by the Reserve Bank, under which UPI Lite has been enabled, will be suitably amended.

Introduction of beneficiary account name look-up facility

Payment Systems like UPI and IMPS provide a facility to the remitter to verify the name of the receiver (beneficiary) before initiating a payment transaction. There have been requests to introduce such a facility for Real Time Gross Settlement System (RTGS) and National Electronic Funds Transfer (NEFT) systems.

Accordingly, to enable remitters in RTGS and NEFT to verify the name of the beneficiary account holder before initiating funds transfer, it is now proposed to introduce a 'beneficiary account name look-up facility'. Remitters can input the account number and the branch IFSC code of the beneficiary, following which the name of the beneficiary will be displayed. This facility will increase customer confidence as it would reduce the possibility of wrong credits and frauds.

- (E) **The Statement on Developmental and Regulatory Policies issued by RBI (pursuant to press release dated December 06, 2024) sets out various developmental and regulatory policy measures relating to (i) Liquidity and Financial Markets; (ii) Regulation; (iii) Communication; (iv) Financial Inclusion; (v) Payment Systems; and (vi) Fintech.**

I. Liquidity and Financial Markets

Reduction in Cash Reserve Ratio

It has been decided to reduce the cash reserve ratio (CRR) of all banks by 50 bps in two equal tranches of 25 bps each to 4.0 per cent of net demand and time liabilities (NDTL) with effect from the fortnight beginning December 14, 2024 and December 28, 2024, respectively. This will restore the CRR to 4 per cent of NDTL, which was prevailing before the commencement of the policy tightening cycle in April 2022. This reduction in the CRR would release primary liquidity of about ₹1.16 lakh crore to the banking system.

Interest Rates on FCNR(B) Deposits

At present, interest rates on Foreign Currency Non-Resident Bank (“FCNR(B)”) deposits are subject to ceilings of Overnight Alternative Reference Rate (ARR) for the respective currency/swap, plus 250 basis points for deposits of 1 year to less than 3 years maturity and overnight ARR plus 350 basis points for deposits of 3 years and above and up to 5 years maturity. In order to attract more capital inflows, it has been decided to increase the interest rate ceilings on FCNR(B) deposits. Accordingly, with effect from today (December 6, 2024), banks are permitted to raise fresh FCNR(B) deposits of 1 year to less than 3 years maturity at rates not exceeding ARR plus 400 bps and deposits with maturity between 3 to 5 years at rates not exceeding ARR plus 500 bps. This relaxation will be available till March 31, 2025.

Expanding reach of FX-Retail Platform through linkages with Bharat Connect

With the objective of bringing greater transparency and fairness in the pricing of foreign exchange for users, especially for individuals and the Micro, Small and Medium Enterprises, the Clearing Corporation of India Limited (CCIL) launched the FX-Retail platform in 2019. Presently, the FX-Retail platform is accessible through an internet-based application. To expand the reach of FX-Retail platform and enhance user experience, it is proposed to facilitate the linking of the FX-Retail platform with Bharat Connect (earlier known as Bharat Bill Payment System) operated by the NPCI Bharat Connect. The linkage will enable users to register and transact on the FX-Retail platform through the apps of banks (mobile applications, internet banking etc.) and non-bank payment system providers, which are integrated with Bharat Connect. In the first phase, it is proposed to implement a pilot facilitating purchase of US Dollar against the Rupee by individuals and sole proprietors. Going forward, the scope will be expanded to cover other FX transactions including sale of US Dollar against the Rupee and other categories of users. Users will continue to have the option to directly access the FX-Retail platform, as hitherto, and transact under the existing mechanism. Instructions to banks on the operational aspects of the pilot will be issued separately.

Introduction of the Secured Overnight Rupee Rate (SORR) – a benchmark based on the secured money markets.

The Reserve Bank had set up the Committee on the MIBOR Benchmark (Chairperson: Shri Ramanathan Subramanian) to review the Rupee interest rate benchmarks in the country, especially the usage of Mumbai Interbank Outright Rate (MIBOR), and to examine the need for transition to new benchmarks. The Committee recommended several important measures to further develop the interest rate derivative market and improve the credibility of interest rate benchmarks. The Report of the Committee was published on RBI’s website inviting comments from members of the public. The Reserve Bank has examined the recommendations of the Committee as well as the feedback received. In line with the recommendations and reflective of the current market dynamics, it is proposed to develop a benchmark based on the secured money markets (both basket repo and TREP) – the Secured Overnight Rupee Rate (SORR). Financial Benchmarks India Limited (FBIL) is being requested to take the proposal forward. The other recommendations of the Committee are under consideration.

II. Regulation

‘Connect 2 Regulate’ – An Initiative for Open Regulation.

Reserve Bank has been consistently following a multi-pronged consultative process with stakeholders in framing its regulations. As a further pro-active step towards the same, the Reserve Bank proposes to launch a programme named ‘Connect 2 Regulate’ under the ongoing RBI@90 commemorative events. A dedicated section in the Reserve Bank’s website will be made available for the programme. This shall provide an opportunity to the stakeholders to share their ideas and inputs in the form of case studies/ concept notes, etc. on the topics announced by the Reserve Bank from time to time.

Communication

Introduction of Podcast facility as an additional medium of communication

The Reserve Bank of India has been deploying traditional as well as new age communication techniques as a key part of its toolkit to ensure transparency and greater impact of its decisions, explain the rationale behind its decisions, and disseminate various awareness messages to a wider audience. The Reserve Bank has been expanding the scope of its public awareness activities including through social media over the last few years. In continuance of this endeavour, the Reserve Bank proposes to launch podcasts for wider dissemination of information that is of interest to the general public.

III. Financial Inclusion

Collateral-free Agriculture Loan — Enhancement of Limit

At present, banks are required to extend collateral-free agriculture loans up to ₹1.6 lakh per borrower. This limit was enhanced from ₹1 lakh, set in the year 2010 to ₹1.6 lakh in the year 2019. Keeping in view the overall inflation and rise in agricultural input costs since then, it has been decided to raise the limit for collateral-free agriculture loans from ₹1.6 lakh to ₹2 lakh. This will enhance coverage of small and marginal farmers in the formal credit system.

IV. Payment Systems

Pre-sanctioned Credit Lines through UPI – Extending the scope to SFBs

In September 2023, the scope of Unified Payments Interface (UPI) was expanded by enabling pre-sanctioned credit lines to be linked through UPI and used as a funding account by SCBs excluding Payments Banks, Small Finance Banks (SFBs) and Regional Rural Banks.

Credit line on UPI has the potential to make available low-ticket, low-tenor products to ‘new-to-credit’ customers. SFBs leverage a high-tech, low-cost model to reach the last mile customer and can play an enabling role in expanding the reach of credit on UPI. It is, therefore, proposed to permit SFBs to extend pre-sanctioned credit lines through the UPI.

V. Fintech

Framework for Responsible and Ethical Enablement of Artificial Intelligence (FREE-AI) in the Financial Sector – Setting up of a Committee

The financial sector landscape is witnessing paradigm shifts with the advent of frontier technologies. Technologies like Artificial Intelligence (AI)/ Machine Learning (ML), tokenisation, Cloud Computing hold transformative potential for the financial sector as they can handle enormous volumes of data, automate complex processes, enhance decision-making, and bring in unprecedented efficiencies. While the benefits are many, the attendant risks like algorithmic bias, explainability of decisions, data privacy, etc., are also high. To harness the benefits, it is critical to address the attendant risks early in the adoption cycle.

As a step in this direction, it is 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.

AI solutions to identify mule bank accounts - MuleHunter.AITM

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. Use of

money mule accounts is a common method adopted by fraudsters to channel proceeds of frauds. The Reserve Bank is currently running a hackathon on the theme “Zero Financial Frauds” which includes a specific problem statement on mule accounts, to encourage development of innovative solutions to contain the use of mule accounts. Another initiative in this direction is the AI / ML based model called MuleHunter.AI™, being piloted by Reserve Bank Innovation Hub (RBIH), a subsidiary of Reserve Bank. This model enables detection of mule bank accounts in an efficient manner. A pilot with two large public sector banks has yielded encouraging results. Banks are encouraged to collaborate with RBIH to further develop the MuleHunter.AI™ initiative to deal with the issue of mule bank accounts being used for committing financial frauds.

- (F) **The Statement on Developmental and Regulatory Policies issued by RBI (pursuant to press release dated February 07, 2025) sets out various developmental and regulatory policy measures relating to (i) Financial Markets; (ii) Cybersecurity; and (iii) Payment Systems.**

I. Financial Markets

Introduction of forward contracts in Government securities

Over the past few years, the Reserve Bank has been expanding the suite of interest rate derivative products available to market participants to manage their interest rate risks. In addition to Interest Rate Swaps, products such as Interest Rate Options, Interest Rate Futures, Interest Rate Swaptions, Forward Rate Agreements, etc. are available to market participants. We have been receiving feedback about the need to allow forward contracts in Government securities to enable further market development. Such forward contracts will enable long-term investors such as insurance funds to manage their interest rate risk across interest rate cycles. They will also enable efficient pricing of derivatives that use bonds as underlying instruments. Draft directions in this regard were issued in December 2023.

Access of SEBI-registered non-bank brokers to NDS-OM

The Negotiated Dealing System – Order Matching (NDS-OM) is an electronic trading platform for secondary market transactions in government securities. Access to NDS-OM is, at present, available to regulated entities and to the clients of banks and standalone primary dealers. With a view to widening access, it has been decided that non-bank brokers registered with SEBI can directly access NDS-OM, on behalf of their clients. These brokers may access NDS-OM subject to the regulations and conditions laid down by the Reserve Bank in this regard.

Comprehensive review of trading and settlement timings across various market segments

Synchronized and complementary market and settlement timings across various financial market segments can facilitate benefits of efficient price discovery and optimization of the liquidity requirements. Over the last few years, there have been several developments including increased electronification of trading, availability of forex and certain interest rate derivative markets on a 24X5 basis, increased participation of non-residents in domestic financial markets and availability of payment systems on a 24X7 basis. Accordingly, it has been decided to set up a working group with representation from various stakeholders to undertake a comprehensive review of trading and settlement timing of financial markets regulated by the Reserve Bank. **Cybersecurity**

Enhancing Trust in the Financial Sector through 'bank.in' and 'fin.in' domains

Increased instances of fraud in digital payments are a significant concern. To combat the same, the Reserve Bank of India (RBI) is introducing the 'bank.in' exclusive Internet Domain for Indian banks. This initiative aims to reduce cyber security threats and malicious activities like phishing; and, streamline secure financial services, thereby enhancing trust in digital banking and payment services. The Institute for Development and Research in Banking Technology (IDRBT) will act as the exclusive

registrar. The actual registrations will commence from April 2025. Detailed guidelines for banks will be issued separately. Going forward, it is planned to have an exclusive domain viz., “fin.in” for other non-bank entities in the financial sector.

II. Payment Systems

Enabling Additional Factor of authentication in cross-border Card Not Present transactions

Introduction of Additional Factor of Authentication (AFA) for digital payments has enhanced the safety of transactions which, in turn, provided confidence to customers to adopt digital payments. This requirement, however, is mandatory for domestic transactions only.

In order to provide a similar level of safety for online international transactions using cards issued in India, it is proposed to enable AFA for international card not present (online) transactions as well. This will provide an additional layer of security in cases where the overseas merchant is enabled for AFA.

(G) The Statement on Developmental and Regulatory Policies issued by RBI (pursuant to press release dated April 09, 2025) sets out various developmental and regulatory policy measures relating to (i) Regulations; (ii) Payment Systems; and (iii) Fintech.

I. Financial Markets

Securitisation of Stressed Assets Framework

A prudentially structured securitisation transaction can be an enabler for resolution of stressed assets as it is expected to improve risk distribution and provide an exit route from such exposures for lenders. With this objective, RBI had released a discussion paper on Securitisation of Stressed Assets Framework in January 2023, to seek comments from market participants on various aspects of the framework. After factoring in the suggestions received from the stakeholders on the discussion paper, the draft framework for securitisation of stressed assets is being issued for public comments. The framework intends to enable securitisation of stressed assets through a market-based mechanism, in addition to the existing ARC route under SARFAESI Act, 2002.

Framework on Co-lending arrangements (CLA)

The extant guidelines on co-lending are applicable only to arrangements between banks and NBFCs for priority sector loans. In light of the evolution of such lending practices, and the potential of such lending arrangements in catering to the credit needs of a wider segment in a sustainable manner, it has been decided to expand the scope for co-lending and issue a generic regulatory framework for all forms of co-lending arrangements among REs.

Review of Guidelines for Lending against Gold Jewellery

Loans against the collateral of gold jewellery and ornaments are extended by regulated entities (REs) for both consumption and income-generation purposes. Prudential and conduct related regulations for such loans have been issued from time to time and they vary for different categories of REs. With a view to harmonizing such regulations across REs while keeping in view their risk-taking capabilities, and also to address a few concerns that have been observed, it has been decided to issue comprehensive regulations, on prudential norms and conduct related aspects, for such loans.

Review of Non-Fund Based Facilities

Non-fund based (NFB) facilities like Guarantees, Letters of Credit, Co-Acceptances etc. play a significant role in facilitating effective credit intermediation, besides enabling seamless business transactions, including trade transactions. It has now been decided to harmonize and consolidate guidelines covering these facilities across all REs. The revised guidelines include a review of instructions

on issuance of partial credit enhancement by REs, with a view to, inter alia, broadening funding sources for infrastructure financing.

II. Payment Systems

Enhancing transaction limits in UPI

At present, the transaction amount for UPI, covering both Person to Person (P2P) and Person to Merchant payments (P2M), is capped at ₹1 lakh except for specific use cases of P2M payments which have higher limits, some at ₹2 lakh and others at ₹5 lakh.

To enable the ecosystem to respond efficiently to new use cases, it is proposed that NPCI, in consultation with banks and other stakeholders of the UPI ecosystem, may announce and revise such limits based on evolving user needs. Appropriate safeguards will be put in place to mitigate risks associated with higher limits. Banks shall continue to have the discretion to decide their own internal limits within the limits announced by NPCI.

P2P transactions on UPI shall continue to be capped at ₹1 lakh, as hitherto. NPCI will be advised accordingly.

III. Fintech

‘On Tap’ application facility under theme neutral Regulatory Sandbox

The Reserve Bank has been operating the Regulatory Sandbox (RS) framework since 2019, and four specific thematic cohorts have been announced and completed till date. An ‘On Tap’ application facility for themes of closed cohorts was announced in October 2021. A fifth ‘Theme Neutral’ cohort with a specified time window for receiving applications was also announced in October 2023, which will close in May 2025. Under this cohort, any innovative product or solution within the regulatory ambit of RBI could be tested if found eligible. Based on the experience gained and feedback received from stakeholders, it is now proposed to make the Regulatory Sandbox ‘Theme Neutral’ and ‘On Tap’.

This initiative is expected to foster continuous innovation and keep pace with the rapidly evolving FinTech / regulatory landscape.

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear, Clearstream or Austraclear (together, the “Clearing Systems”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer, the Trustee nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer, the Trustee nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests. Information in this section has been derived from the Clearing Systems.

Book-entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organized under the New York Banking Law, a member of the Federal Reserve System, a “**banking organization**” within the meaning of the New York Banking Law, a “**clearing corporation**” within the meaning of the New York Uniform Commercial Code and a “**clearing agency**” registered pursuant to section 17A of the Exchange Act. DTC holds securities that its participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants, as the term is used herein, includes securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**” and, together with Direct Participants, “**Participants**”). More information about DTC can be found at www.dtcc.com and www.dtc.org but such information is not incorporated by reference in and does not form part of this Offering Circular.).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the “**DTC Rules**”), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC’s book-entry settlement system (“**DTC Notes**”) as described below and receives and transmits distributions of principal and interest on DTC Notes. The DTC Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (“**Owners**”) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest(s) in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each actual purchaser of each DTC Note (“**Beneficial Owner**”) is in turn to be recorded on the Direct Participant’s and Indirect

Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede and Co., or such other name as may be requested by an authorized representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co. consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the relevant agent (or such other nominee as may be requested by an authorized representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which will be legended as set forth under "*Subscription and Sale*".

A Beneficial Owner shall give notice to elect to have its DTC Notes purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Notes by causing the Direct Participant to transfer the Participant's interest in the DTC Notes, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Notes in connection with an optional tender or a mandatory purchase will be

deemed satisfied when the ownership rights in the DTC Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Notes to the relevant agent's DTC account.

DTC may discontinue providing its services as depository with respect to the DTC Notes at any time by giving reasonable notice to the Issuer or the relevant agent. Under such circumstances, in the event that a successor depository is not obtained, DTC Note certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, DTC Note certificates will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system.

Austraclear

Each Tranche of AMTNs will be represented by a single AMTN Certificate substantially in the form set out in the Note (AMTN) Deed Poll. The Issuer shall issue and deliver, and procure the authentication by the Australian Agent of, such number of AMTN Certificates as are required from time to time to represent all of the AMTNs of each Series. An AMTN Certificate is not a negotiable instrument nor is it a document of title in respect of any AMTNs represented by it. In the event of a conflict between any AMTN Certificate and the register in respect of the AMTNs (the "**A\$ Register**"), the Register shall prevail (subject to correction for fraud or proven error).

On issue of any AMTNs, the Issuer will (unless otherwise specified in the applicable Pricing Supplement) procure that the AMTNs are lodged with the Austraclear System. On lodgement, Austraclear will become the sole registered holder and legal owner of the AMTNs. Subject to the Austraclear System Regulations, accountholders may acquire rights against Austraclear in relation to those AMTNs as beneficial owners and Austraclear is required to deal with the AMTNs in accordance with the directions and instructions of the accountholders. Any potential investors who are not accountholders would need to hold their interest in the relevant AMTNs through a nominee who is an accountholder. All payments by the Issuer in respect of AMTNs entered in the Austraclear System will be made directly to an account agreed with Austraclear or as it directs in accordance with the Austraclear System Regulations.

Holding of AMTNs through Euroclear and Clearstream

Once lodged with the Austraclear System, interests in the AMTNs may be held through Euroclear or Clearstream. In these circumstances, entitlements in respect of holdings of interests in the AMTNs in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as nominee of

Euroclear, while entitlements in respect of holdings of interests in the AMTNs in Clearstream would be held in the Austraclear System by a nominee of J.P. Morgan Chase Bank N.A. as custodian for Clearstream.

The rights of a holder of interests in AMTNs held through Euroclear or Clearstream are subject to the respective rules and regulations of Euroclear and Clearstream, the arrangements between Euroclear and Clearstream and their respective nominees and the Austraclear System Regulations.

Transfers

Any transfer of AMTNs will be subject to the Corporations Act 2001 of the Commonwealth of Australia and the other requirements set out in the terms and conditions of the AMTNs and, where the AMTNs are entered in the Austraclear System, the Austraclear System Regulations.

Secondary market sales of AMTNs settled in the Austraclear System will be settled in accordance with the Austraclear System Regulations.

Relationship of accountholders with Austraclear

Accountholders who acquire an interest in AMTNs lodged with the Austraclear System must look solely to Austraclear for their rights in relation to such Notes and will have no claim directly against the Issuer in respect of such AMTNs although under the Austraclear System Regulations, Austraclear may direct the Issuer to make payments direct to the relevant accountholders.

Where Austraclear is registered as the holder of any AMTNs that is lodged with the Austraclear System, Austraclear may, where specified in the Austraclear System Regulations, transfer the AMTNs to the person in whose Security Record (as defined in the Austraclear System Regulations) those AMTNs are recorded and, as a consequence, remove those AMTNs from the Austraclear System.

Potential investors in AMTNs should inform themselves of, and satisfy themselves with, the Austraclear System Regulations and (where applicable) the rules of Euroclear and Clearstream and the arrangements between them and their nominees in the Austraclear System.

AMTNs lodged with the Austraclear System will be transferable only in accordance with the rules and regulations (in force from time to time) of the Austraclear System. The transferor of an AMTN is deemed to remain the Noteholder of such AMTN until the name of the transferee is entered in the A\$ Register in respect of such AMTN.

Book-entry Ownership of and Payments in respect of DTC Notes

The Issuer may apply to DTC in order to have certain Tranches of Notes represented by Registered Global Notes accepted in its book-entry settlement system. Upon the issue of any such Registered Global Notes, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Notes to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a

Registered Global Note will be limited to Direct Participants or Indirect Participants, including the respective depositaries of Euroclear and Clearstream. Ownership of beneficial interests in such a Registered Global Note will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note registered in the name of DTC's nominee will be made to the order of such nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent

on behalf of DTC's nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Notes in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Trustee, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream will be effected in accordance with the customary rules and operating procedures of the relevant Clearing System. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Subscription and Sale*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream or Euroclear accountholders, on the other, will be effected by the relevant Clearing System in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian ("**Custodian**") with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream or Euroclear and DTC Participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream accountholders and DTC Participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among Participants of DTC and accountholders of Clearstream and Euroclear. However, they are under no obligation to perform or continue to

perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Trustee, the Agents and the Dealers will be responsible for any performance by DTC, Clearstream or Euroclear or their respective Direct or Indirect Participants or accountholders (as appropriate) of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

Suspension of Transfers during Suspension Period

Subject to the procedures of DTC, Euroclear or Clearstream, transfers of Subordinated Notes shall be suspended during any Suspension Period. As a result, holders will not be able to settle the transfer of any such Subordinated Notes from the commencement of the Suspension Period, and any sale or other transfer of such Subordinated Notes that a holder may have initiated prior to the commencement of the Suspension Period that is scheduled to settle during the Suspension Period will be rejected by DTC, Euroclear or Clearstream, as the case may be, and will not be settled within DTC, Euroclear or Clearstream. See *“Investment Considerations — Risks Relating to the Subordinated Notes Upon the occurrence of a PONV Trigger Event or a CET1 Trigger Event, clearance and settlement of the Subordinated Notes will be suspended and there may be a delay in updating the records of the relevant clearing systems to reflect the amount Written-Down”*.

TAXATION

The summary provided below does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase the Notes. In particular, the information does not consider any specific facts or circumstances that may apply to a particular purchaser. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the taxation law position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Prospective purchasers of the Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the Notes, including the effect of any state or local taxes, under the tax laws applicable in India, Hong Kong, Australia and the United Kingdom and each country of which they are residents or the countries of purchase, holding or disposition of Notes.

Indian Taxation

*The following is a summary of the principal Indian tax consequences to investors who are non-residents of India (“**Non-resident Investors**”) purchasing the Notes. The summary is based on Indian taxation laws and practice in force in India at the date of this Offering Circular and is subject to amendment, possibly with retroactive effect. The summary does not constitute legal or tax advice and is not intended to represent a complete analysis of the tax consequences under Indian laws of the acquisition, ownership or disposition of the Notes. Furthermore, it only addresses the tax consequences for persons who are non-residents as defined in the IT Act who acquire the Notes pursuant to this Offering Circular. Additionally, in view of the number of different jurisdictions where local laws apply, this Offering Circular does not discuss the local tax law consequences to a potential investor arising from the acquisition, holding or disposition of the Notes. Prospective investors should, therefore, consult their own tax advisors regarding the Indian tax consequences, as well as the tax consequences under any other applicable taxing jurisdiction, of acquiring, owning and disposing of the Notes and as to any tax, exchange control legislation or other laws and regulations in force relating to the subscription, holding or disposition of the Notes at their place of residence and in the countries of which they are citizens.*

Payments through Offshore Branches or from India

There is currently no requirement to withhold Indian tax on interest payments made on the Notes by the Bank’s offshore branches or from India, if the amounts raised through these Notes are utilized outside India for the purposes of a business carried on by the Bank outside India or for the purposes of making or earning income from any source outside India. If, and to the extent the amounts so raised are utilized in India, Indian tax consequences would be applicable as detailed under the paragraphs “*Withholding tax*” and “*Taxation of interest*”, which are set forth below.

Payments through India

Any payments, which the Bank makes on the Notes, including additional amounts, are subject to the regulations of the RBI.

Withholding tax

Generally, any income by way of interest payable to a non-resident by a unit located in an International Financial Services Centre (“**IFSC**”) in respect of monies borrowed by it on or after September 1, 2019, would

be exempt from Indian income tax under Section 10 (15) of the IT Act. There may be a requirement to withhold tax at the rate of 20% plus applicable surcharge and cess on interest payments made on the Notes (which are denominated in foreign currency) through India subject to and in accordance with the conditions contained in the IT Act and also subject to any lower rate of tax provided for by any applicable tax treaty, read with Multilateral Instruments (“**MLI**”) (if and to the extent applicable). Withholding tax of 9% (plus applicable surcharge and cess) applies in respect of interest payable to a non-resident on a long term bond or rupee-denominated bond issued on or after July 1, 2023, which are listed only on a recognized stock exchange located in an IFSC. In case of other rupee denominated Notes, withholding tax on interest may be applicable at rates ranging up to 35% (plus applicable surcharge and cess). An applicable tax treaty, read with MLI (if and to the extent applicable), may further reduce such withholding tax liability subject to fulfilment of the conditions prescribed therein and if the beneficial recipient furnishes prescribed particulars along with a tax residency certificate issued by the government of the jurisdiction of which the investor is a resident.

Tax may also be withheld at higher rates under Section 206AA of the IT Act, as set out below.

In respect of all the Notes (other than the Notes, if any, issued in accordance with section 194LC of the IT Act and listed exclusively on a recognized stock exchange located in an IFSC) issued to non-residents, non-resident investors are required to provide their permanent account number to the payer, failing which, tax will be deducted at a higher rate. However, where such non-resident investors do not have a permanent account number, provisions of section 206AA should not apply, provided such non-resident investors furnish documentation including a TRC, a tax identification number and other details including their name, address, email details and contact number in respect of the instruments set out in section 206AA(7) of the IT Act and Rule 37BC of the Income-tax Rules, 1962, as amended.

Pursuant to the Terms and Conditions of the Notes, all payments of, or in respect of, principal and interest on the Notes, will be made free and clear of and without withholding or deduction on account of any present or future taxes within India unless it is required by law, in which case pursuant to Condition 10 of the Terms and Conditions of the Notes, the Bank will, subject to certain exceptions, pay additional amounts as may be necessary in order that the net amount received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or the deduction, subject to certain exceptions.

Taxation of interest

Generally, any income by way of interest payable to a non-resident by a unit located in an IFSC in respect of monies borrowed by it on or after September 1, 2019, would be exempt from Indian income tax under Section 10(15) of the IT Act. If this exemption is not available then a Non-resident Investor may be liable to pay tax at the rate of up to 20% or 9% (in case of a long term bond or rupee-denominated bond issued on or after July 1, 2023 listed only on a recognized stock exchange located in an IFSC) under Section 115A of the IT Act (plus applicable surcharge, and cess) on interest paid on the Notes through India, subject to and in accordance with the existing conditions contained in the IT Act. In case of other rupee denominated Notes, tax on interest may be paid at rates ranging up to 35% (plus applicable surcharge and cess). However, an applicable tax treaty, read with MLI (if and to the extent applicable), may further reduce such tax liability subject to fulfilment of the conditions prescribed therein. A Non-resident Investor would be obliged to pay such income tax in an amount equal to, or would be entitled to a refund of, as the case may be, any difference between amounts withheld in respect of interest paid on the Notes through India and its ultimate Indian tax liability for such interest, subject to and in accordance with the provisions of the IT Act. Non-resident Investors would have to provide all necessary information and documents, as may be required by the Issuer.

Taxation of gains arising on disposition of Notes denominated in any currency other than Indian Rupees

Any gains arising to a Non-resident Investor from disposition of the Notes held (or deemed to be held) as a capital asset will generally be chargeable to income tax in India if the Notes are regarded as property situated in India. A Non-resident Investor generally will not be chargeable to income tax in India from a disposition of the Notes held as a capital asset situated outside India. The issue as to where the Notes should be regarded as property situated in India is not free from doubt. The ultimate decision, however, will depend on the view taken by Indian tax authorities on the position with respect to the situs of the rights being offered in respect of the Notes. There is a possibility that the Indian tax authorities may treat the Notes as being located in India as the Bank is incorporated in and resident in India.

If the Notes are regarded as situated in India by the Indian tax authorities, upon disposition of a Note:

- (i) a Non-resident Investor who has held the Notes for a period of more than 24 months preceding the date of their dispositions, would be liable to pay capital gains tax at rate of 12.5% of the capital gains (plus applicable surcharge, and cess) subject to and in accordance with the existing provisions of the IT Act;
- (ii) a Non-resident Investor who has held the Notes for 24 months or less would be liable to pay capital gains tax at rates ranging up to 35% of the capital gains (plus applicable surcharge and cess), depending on the legal status of the Non-resident Investor, and his taxable income in India;
- (iii) Section 47(viiab) of the IT Act provides an exemption from capital gains tax on any transfer of a Note, if the Note is transferred on a recognized stock exchange located in an IFSC and where the consideration for such transaction is paid or payable in foreign currency; and
- (iv) any surplus realized by a Non-resident Investor from a disposition of the Notes held as stock-in-trade would be subject to income tax in India to the extent, if any, that the surplus is attributable to a “business connection in India” or, where a tax treaty applies, to a “permanent establishment” in India of the Non-resident Investor. A Non-resident Investor would be liable to pay Indian tax on the gains which are so attributable at a rate of tax ranging up to 35% (plus applicable surcharge and cess), depending on the legal status of the Non-resident Investor and his taxable income in India, subject to any lower rate provided for by a tax treaty read with MLI, if and to the extent applicable.

The taxation, if any, of capital gains would also depend upon the provisions/benefits available under the relevant tax treaty, subject to fulfilment of the conditions prescribed therein.

Non-resident Investors should consult their own tax advisors regarding the Indian tax consequences of disposing of the Notes.

Taxation of gains arising on disposition of Rupee Denominated Notes

Any gains arising pursuant to any transfer of Rupee Denominated Notes, made outside India, by a Non-resident Investor to another non-resident are not subject to tax in India.

Further, where the Rupee Denominated Notes listed on a recognized stock exchange located in an IFSC are transferred for a consideration payable in foreign exchange, gains derived from such transfer by the non-resident are also not subject to tax in India.

Any gains arising to a Non-resident Investor from the transfer of Rupee Denominated Notes held as a capital asset will generally be chargeable to income tax in India if the Notes are transferred to an Indian resident and gains derived from their transfer are not exempt as mentioned above. If the Notes are transferred to an Indian resident upon disposition of Rupee Denominated Notes:

- (i) a Non-resident Investor who has held Rupee Denominated Notes for a period of more than 24 months preceding the date of their dispositions, would be liable to pay capital gains tax at rate of 12.5% of the capital gains (plus applicable surcharge and cess) subject to and in accordance with the existing provisions of the IT Act;
- (ii) a Non-resident Investor who has held Rupee Denominated Notes for 24 months or less would be liable to pay capital gains tax at rates ranging up to 35% of the capital gains (plus applicable surcharge and cess), depending on the legal status of the Non-resident Investor, and his taxable income in India; and
- (iii) any surplus realized by a Non-resident Investor from a disposition of Rupee Denominated Notes held as stock-in-trade would be subject to income tax in India to the extent, if any, that the surplus is attributable to a “business connection in India” or, where a tax treaty applies, to a “permanent establishment” in India of the Non-resident Investor. A Non-resident Investor would be liable to pay Indian tax on the gains which are so attributable at a rate of tax ranging up to 35% (plus applicable surcharge and cess), depending on the legal status of the Non-resident Investor and his taxable income in India, subject to any lower rate provided for by a tax treaty read with MLI, if and to the extent applicable.

In respect of a Non-resident Investor holding Rupee Denominated Notes, the IT Act provides that any gains arising on account of appreciation of the Rupee against a foreign currency at the time of redemption of Rupee Denominated Notes held by a Non-resident Investor, shall be ignored for the computation of full value of consideration. Accordingly, gains accruing to the Non-resident Investor due to appreciation of the Rupee against a foreign currency at the time of redemption of the Rupee Denominated Notes held by such Non-resident Investor, are not taxable.

The taxation, if any, of capital gains would also depend upon the provisions/benefits available under the relevant tax treaty read with MLI, if and to the extent applicable, subject to fulfilment of the conditions prescribed therein. Non-resident Investors should consult their own tax advisors regarding the Indian tax consequences of disposing of Rupee Denominated Notes.

Tax withholding on gains arising from disposal of Notes

If a non-resident investor earns any capital gains chargeable to tax in India, the IT Act requires that such tax shall be withheld by the person making any payment to such non-investor at the rate of 12.5 per cent (plus applicable surcharge and cess) on long-term capital gains, if the Notes are held for a period of more than 24 months.

Furthermore, tax at the rate of up to 35 per cent (plus applicable surcharge and health and education cess), shall be withheld depending on the legal status of the recipient of income, on short term capital gains, if the Notes are held for a period of 24 months or less. These rates are subject to any lower rate of tax provided under the relevant tax treaty (if any) read with MLI, if and to the extent applicable. The tax payable shall be computed in such manner as prescribed in this regard under the IT Act. For the purpose of tax withholding, and/or claiming the benefit of relevant tax treaty the non-resident investor shall be obliged to provide all necessary information and documents.

Taxation of persons ordinarily resident in India

Any income received in respect of the Notes by a person ordinarily resident in India under the provisions of the IT Act may generally be subject to tax in India according to the personal or corporate rate of tax, as may be applicable.

Anti-avoidance provisions

Under the IT Act there are both specific as well as generic anti-avoidance provisions relating to tax like transfer pricing provisions and General Anti-Avoidance Rules (“GAAR”).

Under the transfer pricing provisions, any income arising from an international transaction between two related parties have to be computed having regard to the arm’s length price (“ALP”). If the Notes are transferred by a non-resident investor to another investor and such investors are related parties in accordance with the provisions of the IT Act, then the transactions would have to be at ALP and necessary compliances are required to be undertaken by the investors.

Provisions relating to GAAR have been effective from fiscal year 2017-2018. Under the provisions of GAAR, an arrangement whose main purpose is to obtain tax benefits, may be declared as an “impermissible avoidance arrangement”. According to Section 96(1) of the IT Act “impermissible avoidance arrangement” means an arrangement of which the main purpose is to obtain a tax benefit, and which, *inter alia*, creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length. Further, an arrangement is presumed, unless proved to the contrary by the taxpayer, to have been entered into, for the main purpose of obtaining a tax benefit, if the main purpose of a step in, or a part of, the arrangement is to obtain a tax benefit, irrespective of the fact that the main purpose of the whole arrangement is not to obtain a tax benefit.

If the provisions pertaining to GAAR are invoked, it could result in significant implications for the parties to the transaction including *inter alia*, disregarding, combining or re-characterisation of any step in or part or whole of the impermissible avoidance arrangement, denial of any tax benefit claimed by the taxpayer, or denial of benefit claimed by the non-resident under a Tax Treaty.

Wealth Tax

No wealth tax is payable at present in relation to the Notes in India.

Estate Duty

No estate duty is payable at present in relation to the Notes in India. There are no inheritance taxes or succession duties currently imposed in respect of the Notes held outside India.

Gift Tax

No gift tax is payable at present in relation to the Notes in India. However, a person receiving the Notes at a price less than the fair market value of the Notes (except when received from a relative or where it falls under certain other exceptions) may be subject to income tax in India on the difference between price paid by him for the Notes and fair market value of the Notes as determined by the Category 1, Merchant Banker or a Chartered Accountant in India. Tax shall be payable at the rates applicable to the respective category of the taxpayers. Non-resident taxpayers qualifying for benefit of application of Tax Treaty may not be taxed in India in respect of such deemed benefit subject to provisions of the Tax Treaty read with MLI, if and to the extent applicable.

Stamp Duty

A transfer of the Notes outside India will not give rise to any Indian stamp duty liability unless the Notes are brought into India, or any instrument of transfer is executed within or brought into India. In the event the Notes are brought into India for enforcement or for any other purpose, or to be admissible in evidence in the courts of India, the same will be required to be stamped according to the applicable stamp duty as payable in the relevant state in India. This stamp duty will have to be paid within a period of three months from the date, any of the Notes, or any instrument of transfer are first received in India.

Australian Taxation

The following taxation summary is of a general nature only and addresses only some of the key Australian tax implications that may arise for a prospective holder of a Note or an interest in a Note (in the following taxation summary, an “**Investor**”) as a result of acquiring, holding or transferring the Note. The following is not intended to be and should not be taken as a comprehensive taxation summary for an Investor. Each reference in the following taxation summary to a “Note” includes a reference to an “interest in a Note” as the context requires.

The taxation summary is based on the Australian taxation laws in force and the administrative practices of the Australian Taxation Office (the “**ATO**”) generally accepted as of the date of this Offering Circular. Any of these may change in the future without notice and legislation introduced to give effect to announcements may contain provisions that are currently not contemplated and may have retroactive effect.

Investors should consult their professional advisors in relation to their tax position. Investors who may be liable to taxation in jurisdictions other than Australia in respect of their acquisition, holding or disposal of Notes are particularly advised to consult their professional advisors as to whether they are so liable (and, if so, under the laws of which jurisdictions), since the following comments relate only to certain Australian taxation aspects of the Notes. In particular, Investors should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of Australia.

Taxation of Interest on Notes

Onshore Investors

Investors who are Australian tax residents, or who are non-residents that hold the Notes in carrying on business at or through a permanent establishment in Australia, will be taxable by assessment in respect of any interest income derived in respect of the Notes. Such Investors will generally be required to lodge an Australian tax return. The timing of assessment of the interest (e.g. a cash receipts or accruals basis) will depend upon the tax status of the particular Investors, the Terms and Conditions applicable to the Notes, and the potential application of the “Taxation of Financial Arrangements” provisions of the *Income Tax Assessment Act 1997* (Australia).

If an Investor is an Australian resident (other than one that holds the Notes in carrying on business at or through a permanent establishment outside Australia) or a non-resident that holds the Notes in carrying on business at or through a permanent establishment in Australia, no Australian interest withholding tax will be payable. In addition, payments on Notes issued otherwise than through the Issuer’s Australian branch will not be subject to Australian interest withholding tax.

Tax at the highest marginal income tax rate plus the Medicare levy (in aggregate, currently 47%) may be deducted from payments to such Investors if the Investors do not provide an Australian tax file number (or an Australian Business Number (the “**ABN**”) (where applicable), or proof of a relevant exemption form quoting such numbers.

Offshore Investors

So long as the Issuer continues to be a non-resident of Australia, where the Notes issued by it are not attributable to an Australian permanent establishment of the Issuer, payments of principal and interest made in respect of the Notes should not be subject to Australian interest withholding tax. However, interest (which for the purposes of withholding tax is defined in section 128A(1AB) of the *Income Tax Assessment Act 1936* (Australia) to include amounts in the nature of, or in substitution for, interest and certain other amounts, including premiums on redemption or, for a Note issued at a discount, the difference between the amount repaid and the issue price) on Notes issued by the Issuer out of its Sydney Branch will be subject to Australian interest

withholding tax, at a current rate of 10%, where the interest is paid to a non-resident Investor and not derived in carrying on business at or through an Australian permanent establishment, or to an Australian resident Investor who derived the interest in carrying on business at or through a permanent establishment outside Australia (subject to certain exemptions — see below).

Depending on their terms, Notes could in some cases be characterized as equity interests for tax purposes and be subject to different rules (e.g. Notes with returns contingent on the Issuer's performance or discretion, or convertible into shares in the Issuer). As of the date of this Offering Circular, the Issuer does not intend to issue any Notes that would be characterized as equity interests for tax purposes.

Various exemptions are available from Australian interest withholding tax, including the "public offer" exemption, the tax treaty exemption and the superannuation fund exemption (each as discussed below).

Public Offer Exemption

Pursuant to section 128F of the *Income Tax Assessment Act 1936* (Australia), an exemption from Australian interest withholding tax relevantly applies to interest paid where:

- at the time the relevant Notes are issued and the interest is paid, the issuer is a company that is a non-resident carrying on business at or through an Australian permanent establishment; and
- the relevant Notes were issued in a manner which satisfies the "public offer test".

There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that the Issuer is offering those Notes for issue. In summary, the five methods are:

- offers to ten or more unrelated financiers or securities dealers;
- offers to 100 or more investors;
- offers of listed Notes;
- offers via publicly available information sources; and
- offers to a dealer, manager or underwriter who offers to sell those Notes within 30 days by one of the preceding methods.

Unless otherwise specified in any applicable final terms (or another relevant supplement to this Offering Circular), the Issuer intends to issue Notes out of its Sydney Branch in a manner which will satisfy the requirements of section 128F of the *Income Tax Assessment Act 1936* (Australia). Where this is not the case, Investors will be notified in the relevant final terms.

Importantly, the public offer test will not be satisfied if, at the time of issue, the Issuer knew or had reasonable grounds to suspect that a Note, or an interest in a Note, was being or would later be acquired directly or indirectly by an Offshore Associate (as defined below) of the Issuer, other than in the capacity of a dealer, manager or underwriter in relation to the placement of the relevant Notes, or a clearing house, custodian, funds manager or responsible entity of a registered scheme.

The exemption from Australian interest withholding tax will also not apply to interest paid by the Issuer to an Offshore Associate of the Issuer if, at the time of the payment, the Issuer knows, or has reasonable grounds to suspect, that such person is an Offshore Associate and the Offshore Associate does not receive the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme.

An Offshore Associate (“**Offshore Associate**”) means an “associate” (as defined in section 128F(9) of the *Income Tax Assessment Act 1936* (Australia), and which includes, among other things, persons under common control or influence) of the Issuer that is either:

- a non-resident of Australia that does not acquire the Notes or an interest in the Notes in carrying on a business in Australia at or through a permanent establishment of the associate in Australia; or
- a resident of Australia that acquires the Notes or an interest in the Notes in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country.

Accordingly, the Notes should not be acquired by any Offshore Associate of the Issuer except in the circumstances listed above.

Double Tax Treaties

The Australian government has signed a number of double tax treaties (“**Specified Treaties**”) with certain countries including the United States of America, the United Kingdom, Switzerland, Germany, Norway, Finland, the Republic of France, Japan, the Republic of South Africa, and New Zealand (each a “**Specified Country**”). The Specified Treaties may apply to interest derived by a resident of a Specified Country in relation to a Note issued by the Issuer through its Sydney Branch.

The Specified Treaties effectively prevent withholding tax applying to interest derived by:

- (a) the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
- (b) certain unrelated banks, and financial institutions which substantially derive their profits by carrying on a business of raising and providing finance, which are resident in the Specified Country and dealing wholly independently with the Issuer (however, back-to-back loans and economically equivalent arrangements will not obtain the benefit of the reduction in interest withholding tax and the anti-avoidance provisions in the *Income Tax Assessment Act 1936* (Australia) can apply),

by reducing the interest withholding tax rate to zero. Particular tax treaties may have additional requirements. Investors should obtain their own independent tax advice as to whether any of the exemptions under the relevant Specified Treaties apply to their particular circumstances.

All Specified Treaties listed above are currently in effect.

Exemption for Superannuation Funds

An exemption from Australian interest withholding tax is also available in respect of interest paid to a non-resident superannuation fund where that fund is a superannuation fund maintained solely for foreign residents and the interest arising from the Notes is exempt from income tax in the country in which such superannuation fund is resident.

Bearer Debentures

Section 126 of the *Income Tax Assessment Act 1936* (Australia) imposes a type of withholding tax at the current rate of 45% on the payment of interest on Notes in bearer form if the Issuer fails to disclose the names and addresses of the relevant holders of Notes to the ATO (or in the case of a Note held by a clearing house, the name and address of the clearing house). These rules generally only apply to holders of Notes who are Australian tax residents, or non-residents that hold the Notes in carrying on business at or through a permanent establishment in Australia.

Taxation of Gains on Disposal or Redemption

Onshore Investors

Investors who are Australian tax residents, or who are non-residents that hold the Notes in carrying on business at or through a permanent establishment in Australia, will be required to include any gain or loss on disposal of the Notes in their assessable income.

The determination of the amount and timing of any gain or loss on disposition or redemption of the Notes may be affected by the “Taxation of Financial Arrangements” provisions, which provide for a specialized regime for the taxation of financial instruments and, where the Notes are denominated in a currency other than Australian Dollars, the foreign currency rules. Prospective Investors should obtain their own independent tax advice in relation to the determination of any gain or loss on disposal or redemption of the Notes.

Offshore Investors

An Investor who is a non-resident of Australia and who has never held the Notes in the course of carrying on a trade or business at or through a permanent establishment within Australia will not be subject to Australian income tax or capital gains tax on gains realized on the sale or redemption of such Notes provided such gains do not have an Australian source. A gain arising on the sale of a Note by a non-Australian resident holder to another non-Australian resident where the Note is sold outside Australia and all negotiations are conducted and all documentation is executed outside Australia would not be regarded as having an Australian source.

Special rules can apply to treat a portion of the purchase price of Notes as interest for withholding tax purposes where deferred-return Notes (for example, Notes which pay a return that is deferred by more than 12 months) are sold to an Australian Investor.

Collection Powers

The ATO and other revenue authorities in Australia have wide powers for the collection of unpaid tax debts. This can include issuing a notice to the Issuer requiring a deduction from any payment to an Investor in respect of any unpaid tax liabilities of that Investor.

Stamp Duty

No ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue, transfer or redemption of the Notes.

Death Duties

The Notes will not be subject to death, estate or succession duties imposed by Australia or by any political subdivision or authority therein having power to tax if held at the time of death.

Goods and Services Tax

Neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an issue of Notes by a branch of the Bank in Australia to an offshore non-resident subscriber) a GST-free supply. Furthermore, neither the payment of principal nor of interest on the Notes would give rise to a GST liability.

Hong Kong Taxation

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “**IRO**”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Pursuant to the Exemption from Profits Tax (Interest Income) Order, interest income accruing to a person other than a financial institution, on deposits (denominated in any currency and whether or not the deposit is evidenced by a certificate of deposit) placed with, *inter alia*, an authorized institution in Hong Kong (within the meaning of section 2 of the Banking Ordinance (Cap. 155) of Hong Kong) is exempt from the payment of Hong Kong profits tax. This exemption does not apply, however, to deposits that are used to secure or guarantee money borrowed in certain circumstances. Based on the definition of “deposit” in the Banking Ordinance (Cap. 155) of Hong Kong and provided no prospectus involving the issue of the Notes is registered under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, the issue of the Notes by the Issuer is likely to constitute a deposit to which the above exemption from payment will apply.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

In addition, with effect from January 1, 2024, pursuant to various foreign-sourced income exemption legislation in Hong Kong (the “**FSIE Amendments**”), certain specified foreign-sourced income (including interest, dividend, disposal gain or intellectual property income, in each case, arising in or derived from a territory outside Hong Kong) accrued to an MNE entity (as defined in the FSIE Amendments) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The FSIE Amendments also provide for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

Stamp duty will not be payable on the issue of Bearer Notes provided that either:

- (i) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (the “SDO”)).

If stamp duty is payable, it is payable by the Issuer on the issue of Bearer Notes at a rate of 3% of the market value of the Bearer Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes provided that either:

- (i) such Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Registered Notes constitute loan capital (as defined in the SDO).

Notwithstanding the above, no stamp duty is payable on the transfer of a regulatory capital security (as defined in Section 17A of the IRO).

With effect from November 17, 2023, if stamp duty applies to the transfer of Registered Notes required to be registered in Hong Kong and which are not otherwise exempt it will be payable at the rate of 0.2% (of which 0.1% is payable by the seller and 0.1% is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher.

In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

United Kingdom Taxation

The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer’s understanding of current United Kingdom law and published HM Revenue and Customs’ (“HMRC”) (which may not be binding on HM Revenue & Customs, in each case, as at the latest practicable date before the date of this Offering Circular, and each of which may change at any time, possibly with retrospective effect) practice relating only to United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice. Certain classes of persons such as dealers, certain professional investors, or persons connected with the Issuer may be subject to special rules and this summary does not apply to such Noteholders. In particular, Noteholders should be aware that the tax legislation of any jurisdiction where a Noteholder is resident or otherwise subject to taxation may have an impact on the tax consequences of an investment in the Notes including in respect of any income received from the Notes.

References in this part to “interest” shall mean amounts that are treated as interest for the purposes of United Kingdom taxation.

Payments of interest on the Notes that does not have a United Kingdom source may be made without deduction or withholding on account of United Kingdom income tax. If interest paid on the Notes does have a United Kingdom source, then payments may be made without deduction or withholding on account of United Kingdom income tax in any of the following circumstances.

Payments of interest on the Notes may be made without deduction or withholding for or on account of United Kingdom income tax, provided the Issuer is and continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 (the “**ITA 2007**”) and provided that the interest on the Notes is and continues to be paid in the ordinary course of the Issuer’s business within the meaning of section 878 of the ITA 2007.

Payments of interest on the Notes may also be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes carry a right to interest and are and continue to be listed on a “recognized stock exchange” within the meaning of section 1005 of the ITA 2007. The SGX-ST is a recognized stock exchange for these purposes. The Notes will satisfy this requirement if they are both admitted to trading and officially listed on the Main Board or Bond Market of the SGX-ST in accordance with provisions corresponding to those generally applicable in EEA states. Provided, therefore, that the Notes are and remain so listed on a “recognized stock exchange”, interest on the Notes will be payable without withholding or deduction for or on account of United Kingdom income tax whether or not the Issuer is a bank for the purposes of section 991 of the ITA 2007 and whether or not the interest is paid in the ordinary course of its business.

Interest on the Notes may also be paid without withholding or deduction for or on account of United Kingdom income tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In all other cases, where the relevant payments of interest are treated as having a United Kingdom source, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20%), subject to any other available reliefs under domestic law or to any direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

If Notes are issued at a discount to their principal amount the discount element on any such Notes will not be subject to any withholding or deduction for or on account of United Kingdom tax pursuant to the provisions mentioned above, provided that any payments on redemption in respect of the discount do not constitute payments in respect of interest.

Where Notes are issued with a redemption premium, as opposed to being issued at a discount, then any such element of premium when the Notes are redeemed may constitute a payment of interest for United Kingdom tax purposes. Payments of interest are subject to United Kingdom withholding tax unless an exemption or relief applies as outlined above.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “**foreign financial institution**” (as defined by FATCA) may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that

it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register, and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes (as described under “*Terms and Conditions — Further Issues*”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated program agreement dated July 28, 2025 (such program agreement as amended and/or supplemented and/or restated from time to time (the “**Program Agreement**”), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes or, in the case of Definitive IAI Registered Notes, procure purchasers of Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Program Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Program and the issue of Notes under the Program and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The Program Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its subsidiaries, jointly controlled entities or associated companies from time to time. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, or behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or its subsidiaries, jointly controlled entities or associated companies, including Notes issued under the Program, may be entered into at the same time or proximate to offers and sales of Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes. Notes issued under the Program may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the relevant Dealer(s) or any affiliate of the relevant Dealer(s) is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that relevant Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIIs). CMIIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIIs should not place “X-orders” into the order book.

CMIIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Dealer(s) (if any) to categorize it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIIs (including private banks) that are subject to the SFC Code should disclose underlying investor information, in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

Selling Restrictions

United States

- 1.1 In respect of Notes offered or sold in reliance on Category 1 as specified in the applicable Pricing Supplement, the Notes 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. Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any Notes constituting part of its allotment except in accordance with Rule 903 of Regulation S under the Securities Act.

In respect of Notes offered or sold in reliance on Category 2 as specified in the applicable Pricing Supplement, the Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in the Securities Act) except in accordance with Regulation S under the Securities Act or pursuant to an exemption from, or not subject to, the registration requirements of the Securities Act. Each Dealer has represented and agreed that it has offered and sold any Notes, and will offer and sell any Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, as determined, only in accordance with Rule 903 of Regulation S under the Securities Act. Each Dealer who has purchased Notes of a Tranche hereunder (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of a syndicated issue, the relevant Lead Manager) shall determine the completion of the distribution of the Notes of such Tranche. On the basis of such notification or notifications, the Principal Paying Agent has agreed to notify such Dealer/Lead Manager of the end of the distribution compliance period with respect to such Tranche. Each Dealer also agreed that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Securities as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue, and

except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

Terms used in this paragraph 1.1 have the meanings given to them by Regulation S.

- 1.2 Each Dealer has represented and agreed that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.
- 1.3 In addition in respect of Bearer Notes where TEFRA D is specified in the applicable Pricing Supplement:
 - (a) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any substantially identical successor United States Treasury regulation section, including without limitation, substantially identical successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the “**D Rules**”), each Dealer (i) represented that it has not offered or sold, and agreed that during the restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) represented that it has not delivered and agreed that it will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
 - (b) each Dealer represented that it has and agreed that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
 - (c) if it is a United States person, each Dealer represented that it is acquiring Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6) (or any substantially identical successor United States Treasury regulation section, including without limitation, substantially identical successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010);
 - (d) with respect to each affiliate that acquires Notes in bearer form from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer repeats and confirms the representations and agreements contained in paragraphs 1.3(a), 1.3(b) and 1.3(c) on such affiliate’s behalf; and
 - (e) each Dealer agreed that it will obtain from any distributor (within the meaning of U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D)(4)(ii) (or any substantially identical successor United States Treasury regulation section, including without limitation, substantially identical successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010)) that purchases any Notes in bearer form from it pursuant to a written contract with such Dealer (except a distributor that is one of its affiliates or is another Dealer), for the benefit of the Issuer and each other Dealer, the representations contained in, and such distributor’s agreement to comply with, the provisions of paragraphs 1.3(a), 1.3(b) 1.3(c) and 1.3(d) of this paragraph insofar as they relate to the D Rules, as if such distributor were a Dealer hereunder.

Terms used in this paragraph 1.3 have the meanings given to them by the U.S. Internal Revenue Code 1986 and regulations promulgated thereunder, including the D Rules.

- 1.4 In respect of Bearer Notes where TEFRA C is specified in the applicable Pricing Supplement, such Bearer Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Bearer Notes within the United States or its possessions in connection with their original issuance.

Further, each Dealer has represented and agreed in connection with the original issuance of such Bearer Notes that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of such Bearer Notes. Terms used in this paragraph 1.4 have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including U.S. Treas. Reg § 1.163-5(c)(2)(i)(C) (or any substantially identical successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010).

- 1.5 Notwithstanding anything above to the contrary, it is understood that Registered Notes may be offered and sold pursuant to a private placement in the United States, and in connection therewith each Dealer has represented and agreed that:

- (a) offers, sales, resales and other transfers of Notes made in the United States made or approved by a Dealer (including offers, resales or other transfers made or approved by a Dealer in connection with secondary trading) shall be made with respect to Registered Notes only and shall be effected pursuant to an exemption from the registration requirements of the Securities Act;
- (b) offers, sales, resales and other transfers of Notes made in the United States will be made only in private transactions to (1) a limited number of institutional investors that are accredited investors (as defined in Rule 501(a) (1), (2) and (3) under the Securities Act each such institutional investor being hereinafter referred to as an “accredited investor”) that has executed and delivered to a Dealer an IAI Investment Letter, or (2) institutional investors that are reasonably believed to qualify as qualified institutional buyers within the meaning of Rule 144A (each such institutional investor being hereinafter referred to as a “QIB”);
- (c) the Notes will be offered in the United States only by approaching prospective purchasers on an individual basis. No general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act will be used in connection with the offering of the Notes in the United States;
- (d) no sale of Notes in the United States to (1) any one Institutional Accredited Investor will be for less than U.S.\$500,000 principal amount and (2) any one QIB will be for less than U.S.\$200,000 principal amount or (in each case) its equivalent rounded upwards and no Note will be issued in connection with such a sale in a smaller principal amount. If such purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$500,000 (in the case of (1) above) or U.S.\$200,000 (in the case of (2) above) principal amount of the Notes; and
- (e) each Note sold as a part of a private placement in the United States and each Regulation S Global Note shall contain a legend in substantially the form set out on the face of such Note in the Trust Deed.

- 1.6 The Issuer represented and agreed that any resale or other transfer, or attempted resale or other transfer of Notes sold as part of a private placement in the United States made other than in compliance with the restrictions set out in paragraph 1.5 shall not be recognized by the Issuer or any agent of the Issuer and shall be void.
- 1.7 Each issue of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement. The relevant Dealer agrees that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”); and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area (each, a “**Relevant State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (A) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (B) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (C) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (D) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (B) to (D) above shall require the Issuer or any Dealer to publish 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 provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
 - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (A) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a “**Public Offer**”), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it has been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (B) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (C) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (D) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (B) to (D) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression “**FSMA**” means the Financial Services and Markets Act 2000 and the expression an “**offer of Notes to the public**” in relation to any Notes in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

- (a) in relation to any Notes having a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell, any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied, and will comply, with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Hong Kong

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

- (a) it has not offered or sold, and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the “SFO”) other than (i) to “professional investors” as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMPO)”) or which do not constitute an offer to the public within the meaning of the C(WUMPO); and
- (b) it has not issued nor had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, 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 securities laws of Hong Kong) other than with respect to Notes 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 under the SFO.

India

Each Dealer has represented, agreed and acknowledged that: (a) the Offering Circular has not been and will not be registered, produced or published as an offer document (whether as a prospectus in respect of either a public offer or information memorandum or other offering material in respect of any private placement of securities under the Companies Act, 2013, as amended from time to time, and the rules framed thereunder or any other applicable Indian securities laws) with any Registrar of Companies, the Securities and Exchange Board of India, the RBI, International Financial Services Centres Authority, any Indian stock exchanges or any other statutory, regulatory body and adjudicatory of like nature in India, save and except for any information from any part of the Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian securities laws, including but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended from time to time, and under the listing agreements with any Indian stock exchanges pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, or pursuant to the directives of any statutory, regulatory and adjudicatory body in India, including filing of the Offering Circular with the India International Exchange (IFSC) Limited (India INX) and NSE IX, India’s international exchanges at GIFT IFSC; and (b) the Notes have not been and will not be offered or sold to any person in India by means of the Offering Circular or any document, other than to persons permitted to acquire the Notes under Indian securities laws, whether as a principal or an agent; and (c) the Offering Circular or any other offering document or material relating to the Notes has not been and will not be circulated or distributed, directly or indirectly, to any person or to the public in India or any member of the public in India or otherwise generally distributed or circulated in India which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities in violation of applicable Indian securities laws.

Rupee denominated Notes

Each Dealer has represented and agreed that in relation to any issuance of Notes denominated in Indian Rupees and payable in a currency other than Indian Rupees, the Offering Circular or any other material relating to such Notes has not been and will not be circulated or distributed to: (i) any prospective investor who does not meet the FATF Requirements or IOSCO Requirements; or (ii), any person that is otherwise prohibited from investing in such Notes under any applicable law.

For the purposes of this section:

As per the FEMA ECB Guidelines, Multilateral and Regional Financial Institutions where India is a member country will also be considered as recognized investors. Foreign branches/subsidiaries of Indian banks are permitted as recognized lenders only for foreign currency ECB. Further, Indian banks, subject to applicable prudential norms, can participate as arrangers/underwriters/market makers/traders in rupee denominated bonds issued overseas. However, underwriting by overseas branches/subsidiaries of Indian banks for issuances by Indian banks is not permitted under the current extant regime of the FEMA ECB Guidelines. Additionally, overseas investors are eligible to hedge their exposure in Rupee through permitted derivative products with AD Category I banks in India. The investors can also access the domestic market through branches/subsidiaries of Indian banks abroad or branches of foreign banks with Indian presence on a back-to-back basis.

Eligibility of holders of the Rupee denominated Notes

Holders and beneficial owners of the Rupee denominated Notes shall be responsible for compliance with restrictions on the ownership of the Rupee denominated Notes imposed from time to time by applicable laws or by any regulatory authority, including Indian or otherwise. In this context, holders and beneficial owners of the Rupee denominated Notes shall be deemed to have acknowledged, represented and agreed that such holders and beneficial owners are eligible to purchase the Rupee denominated Notes under applicable laws and regulations and are not prohibited under any applicable law or regulation from acquiring, owning or selling the Rupee denominated Notes.

Disclosure of information relating to holders of Rupee denominated Notes

The holders and beneficial owners of Rupee denominated Notes shall be deemed to confirm that, for so long as they hold any Rupee denominated Notes, they will meet the FATF Requirements or IOSCO Requirements and the FEMA ECB Guidelines of India. Further, all Noteholders represent and agree that the Rupee denominated Notes will not be offered, sold on the secondary market or offered as security to any person who does not meet the FATF Requirements or IOSCO Requirements and comply with the FEMA ECB Guidelines.

In relation to any issuance of Rupee denominated Notes, the holders and beneficial owners represent and agree that they will provide all information and details about themselves to the Issuer, to enable the Issuer to provide such information to the RBI or any other statutory or regulatory authority in India as and when such information is required. The holders and beneficial owners will provide all the information and details that they have or can procure about any subsequent transferee Noteholders (and shall provide all assistance in relation thereto) to the Issuer so as to enable the Issuer to obtain the details of the transferee Noteholders or any other information pertaining to such transferee Noteholders to enable the Issuer to provide such information to the RBI or any other statutory or regulatory authority in India as and when such information is required. The Rupee denominated bonds can only be sold/transferred/offered as security overseas subject to compliance with aforesaid FATF Requirements or IOSCO jurisdictional requirements.

To comply with applicable laws and regulations, the Issuer or its duly appointed agent may from time to time request Euroclear and Clearstream to provide details of the account holders within Euroclear and Clearstream, as may be appropriate, that hold the Rupee denominated Notes and the number of Rupee denominated Notes held by each such account holder. Euroclear and Clearstream participants which are holders of the Rupee denominated Notes or intermediaries acting on behalf of such Noteholders would be deemed to have hereby authorized Euroclear and Clearstream, as may be appropriate, to disclose such information to the Issuer or its duly appointed agent.

“FATF Requirements” pursuant to the RBI regulations means an investor who is a resident of a country that is a member of a Financial Action Task Force (“**FATF**”) or a member of a FATF style regional body; and should not be a country identified in the public statement of the FATF as: (a) a jurisdiction having a strategic

anti-money laundering or combating the financing of terrorism deficiencies to which counter measures apply; or (b) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies.

“IOSCO Requirements” pursuant to the RBI regulations means an investor who is a resident of a country whose securities market regulator is a signatory to the International Organisation of Securities Commission’s (**“IOSCO’s”**) Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to bilateral Memorandum of Understanding with the SEBI for information sharing arrangements”.

“FEMA ECB Guidelines” means the regulations and guidelines issued by the RBI from time to time in relation to ECBs, including without limitation, (i) Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, notified vide Notification No. FEMA 3R/2018-RB dated December 17, 2018, as amended from time to time; (ii) the Master Direction on ECBs, TCs and Structured Obligations dated March 26, 2019 (RBI/FED/2018-19/67-FED Master Direction No.5/2018-19) issued by the RBI and as modified, revised, amended, supplemented and updated, from time to time; (iii) the Master Direction – Reporting under FEMA (updated as of July 10, 2019) (RBI/FED/2015-16/13 FED Master Direction No.18/2015-16) issued by the RBI, and as modified, revised, amended, supplemented and updated, from time to time, and such other circulars, rules, regulations, notifications, press notes, directions and/or orders issued by the RBI or any other governmental authority or agency in India varying, amending or replacing the same from time to time.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Program will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or 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.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the **“SFA”**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **“CMP Regulations 2018”**), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes 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).

United Arab Emirates

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that the Notes to be issued under the Program have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Program to any person in the DIFC unless such offer is:

- (a) an “Exempt Offer” in accordance with the Markets Rules (“**MKT**”) module of the DFSA; and
- (b) made only to persons who meet the “Professional Client” criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Notes, except on a private placement basis to persons in the Kingdom of Bahrain who are “accredited investors”.

For this purpose, an “**accredited investor**” means:

- (i) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more;
- (ii) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000; or
- (iii) a government, supranational organization, central bank or other national monetary authority or a state organization whose main activity is to invest in financial instruments (such as a state pension fund).

State of Qatar

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered, delivered or sold, and will not offer, deliver or sell, at any time directly or indirectly, any Notes in the State of Qatar (including the Qatar Financial Centre), except: (a) in compliance with all applicable laws and regulations of the State of Qatar (including the Qatar Financial Centre); and (b) through persons or corporate entities authorized and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar.

Australia

Each Dealer has acknowledged that this Offering Circular is not a “Product Disclosure Statement” (as defined in Chapter 7 of the Corporations Act 2001 (Cth) of Australia (the “**Corporations Act**”). No “prospectus” or other “disclosure document” (each as defined in the Corporations Act) in relation to the Program or the Notes has been or will be lodged with the Australian Securities and Investments Commission (the “**ASIC**”) or ASX Limited ABN 98 008 624 691.

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it:

- (a) has not made or invited, and will not make or invite, (directly or indirectly) offers from any person to purchase the Notes, or applications from any person for the issue of Notes, where the relevant invitation is received in Australia (regardless of where any resulting issue, sale or transfer occurs); and
- (b) has not offered, and will not offer, (directly or indirectly) Notes for issue or sale to any person where the relevant offer is received in Australia (regardless of where any resulting issue, sale or transfer occurs),

unless:

- (i) the aggregate consideration payable for such Notes on acceptance of the offer or invitation by the person to whom the relevant offer or invitation is made, is at least A\$500,000 or its equivalent in any other currency (calculated in accordance with both section 708(9) of the Corporations Act and regulation 7.1.18 of the Corporations Regulations 2001 (Cth)) or the offer or invitation otherwise does not require disclosure in accordance with Parts 6D.2 or 7.9 of the Corporations Act;
- (ii) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act;
- (iii) the offer or invitation complies with all other applicable Australian laws, regulations and directives; and
- (iv) such action does not require any document to be lodged with ASIC, the ASX Limited ABN 98 008 624 691 or any successor entity thereto.

For the purposes of this selling restriction, the Notes include interests or rights in the Notes held in Euroclear, Clearstream or Austraclear.

Each Dealer has also represented and agreed, and each further Dealer appointed under the Program will also be required to represent and agree, that it has not distributed or published and will not distribute or publish the Offering Circular or any other offering material or advertisement relating to the Notes in Australia unless the relevant distribution or publication, as applicable, complies with all applicable Australian laws, regulations and directives.

The Issuer does not hold an Australian financial services licence and it is not licensed to provide financial product advice in relation to the Notes. Noteholders do not have “cooling off” rights under Australian law.

General

Each Dealer has represented, warranted and undertaken, and each further Dealer appointed under the Program will be required to represent, warrant and undertake that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries, and neither the Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee, the Arrangers and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND U.S. GAAP

The audited and reviewed consolidated and unconsolidated financial statements of the Bank included in this Offering Circular have been prepared in accordance with the accounting policies followed by the Bank which conform to Generally Accepted Accounting Principles in India and RBI Guidelines as applicable to the Bank. The following are significant differences between Indian GAAP and U.S. GAAP, limited to those differences that are relevant to the Bank's financial statements. However, they should not be construed as being exhaustive, and no attempt has been made to identify possible future differences between Indian GAAP and U.S. GAAP as a result of prescribed changes in accounting standards or to identify future differences that may affect the Bank's financial statements as a result of transactions or events that may occur in the future. In certain respects, the financial statements of the Bank reflect adjustments made in accordance with applicable statutory requirements and regulatory guidelines, and accounting practices in India, which change from time to time and may have been applied prospectively. As a result, the periods covered by the financial statements of the Bank and the Bank's results on a period-by-period basis may not be directly comparable.

Indian GAAP	U.S. GAAP
<i>Changes in accounting policies</i>	<i>Changes in accounting policies</i>
Impact of adjustments resulting from the change to be shown in the income statement of the period in which the change is made except as specified in certain standards, where the change resulting from adoption of such standards has to be shown by an adjustment to opening retained earnings.	Retrospective application requiring the entity to adjust each affected component of equity for the earliest period presented and comparative income statement presented, except where impracticable to do so. Transition provisions are generally specified in new standards and may be different.
<i>Property, plant and equipment</i>	<i>Property, plant and equipment</i>
Use of historical cost or revalued amounts is permitted. Revaluation of an entire class of assets or of a selection of assets is required to be carried out on a systematic basis.	Upward revaluation is not permitted. Downward valuations are required when future undiscounted cash flows are less than the carrying value of the asset.
<i>Depreciation</i>	<i>Depreciation</i>
The Indian Companies Act provides minimum rates of depreciation. If management's estimate of the useful life of a fixed asset is shorter than depreciation rates according to the Companies Act, depreciation is provided at a higher rate based on management's estimate of useful life.	Allocated on a systematic basis to each accounting period over the economic useful life of the asset, reflecting the pattern in which the entity consumes the asset's benefits.
Depreciation on revaluation portion can be recouped out of revaluation reserve.	Upward revaluation is not permitted.
<i>Unrealized gains/losses on investments</i>	<i>Unrealized gains/losses on investments</i>
All investments are categorized into "Held to Maturity," "Available for Sale" and "Held for Trading." "Held to Maturity" securities are carried at their acquisition cost or at amortized cost if acquired at a premium over the face value. "Available for Sale" and "Held for Trading" securities are valued	Investments are categorized into "Held to Maturity," "Available for Sale" or "Trading" based on management's intent and ability. While 'Trading' and "Available for Sale" securities are valued at fair value, "Held to Maturity" securities are valued at cost, adjusted for amortization of premiums and

Indian GAAP

periodically according to RBI guidelines. Net depreciation, if any, within each category of investments is recognized in the profit and loss account. The net appreciation, if any, under each classification is ignored.

Amortization of premium/discount on the purchase of investments

No amortization of premium/discount is allowed on investments except for the premium on investments categorized as “Held to Maturity.”

Allowances for credit losses

All credit exposures are classified according to the RBI guidelines, into performing assets and NPAs. Further, non-performing assets are classified into substandard, doubtful and loss assets for provisioning based on the criteria stipulated by the RBI. Provisions are made in accordance with RBI guidelines. For restructured assets, a provision is made in accordance with the guidelines issued by the RBI, which require that a provision equal to the present value of the interest sacrifice is made at the time of restructuring. In addition to the specific provisioning made on NPAs, the Bank maintains general provisions to cover potential credit losses of standard assets in accordance with RBI guidelines.

Loan origination fees/costs

Loan origination fees are recognized upfront on their becoming due. Loan origination costs are taken to the profit and loss account in the year in which accrued/incurred.

Derivatives

Derivative transactions comprise swaps and options. Swaps and options are disclosed as off balance sheet exposures. The swaps/options are bifurcated as trading or hedge transactions. Trading swaps/options are revalued at the balance sheet date with the resulting unrealized gain/loss being recognized in the profit and loss account and included in other assets or liabilities. Hedged swaps/options are accounted for on an accrual basis.

U.S. GAAP

accretion of discount. The unrealized gains and losses on “Trading” securities are taken to the income statement, while those of “Available for Sale” securities are reported as a separate component of stockholders’ equity, net of applicable taxes, until realized.

Amortization of premium/discount on the purchase of investments

Premium/discount is amortized on all categories of investment.

Allowances for credit losses

Loans are tested for impairment and placed on a non-accrual basis (i.e., interest income is not accrued) when based on current information and events, management estimates that the collection of outstanding interest and principal amounts are doubtful. The impairment of a loan is measured based on the present value of the loan’s effective interest rate, or at the observable market price of the loan, or at the fair value of the collateral if the loan is collateral dependent. The impairment is recognized if the measured value is less than the recorded investment in the impaired loan.

Loan origination fees/costs

Non-refundable loan origination fees (net of direct loan origination costs) are deferred and recognized as an adjustment to yield over the life of the loan. The adjustment is made using the interest method, based on the contractual terms of the loan.

Derivatives

All derivatives are required to be recognized as assets or liabilities on the balance sheet and measured at fair value with changes in fair value being recognized in earnings. Fair values are based on quoted market prices or, absent quoted market prices, based on valuation techniques which may take into account available current market and contractual prices of similar instruments as well as the time value underlying the positions. If a derivative is a hedge, depending on the nature of the hedge, the effective portion of the hedge’s change in fair value is either offset against the change in fair

Indian GAAP

Revenue Recognition

Revenue is recognized on an accrual basis when there is no uncertainty as to its ultimate collection. Realized gains on investments under HTM category are recognized in the profit and loss account and subsequently appropriated to the capital reserve account in accordance with RBI guidelines.

Employee Benefits

AS 15 (Revised) (mandatory with effect from December 7, 2006) requires the use of the projected unit credit method to determine benefit obligation. All actuarial gains and losses have to be recognized immediately in the profit and loss account.

Taxation

Income tax comprises the current tax (i.e., amount of tax for the period determined in accordance with the IT Act and the rules framed thereunder) and the deferred tax charge or credit reflecting the tax effects of timing differences between accounting income and taxable income for the period.

U.S. GAAP

value of the hedged asset, liability or firm commitment through income or held in equity until the hedge item is recognized in income. The ineffective portion of a hedge is immediately recognized in income.

Revenue Recognition

Revenue involving the sales of services is recognized when certain criteria have been met, including whether persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the sales price is fixed or determinable and, collectability is reasonably assured. Realized gains on investments under HTM category are recognized in the profit and loss account.

Employee Benefits

Obligation for defined benefit plans must be measured using projected unit credit method. Immediate recognition of actuarial gains or losses is not required, but it is recognized as a component of Other Comprehensive Income, net of tax.

Taxation

Income taxes are accounted for according to the provisions of SFAS No. 109, Accounting for Income Taxes. SFAS No. 109 requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax basis of assets and liabilities, using enacted tax rates expected to apply to taxable income in the years that the temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of income in the period of enactment. Deferred tax assets are recognized subject to a valuation allowance based upon management's judgment as to whether it is considered more likely than not that the asset will be realized.

Indian GAAP

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of the realization of such assets. Deferred tax assets are reviewed as of each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

Employee Stock Option Plan

According to the guidance note on Accounting for Employee Share-based payments, effective for all share-based grants made after April 1, 2005, employee share-based plans are classified into equity settled, cash settled and employee share-based payments plans with cash alternatives. Any plan falling into the above categories can be accounted for by adopting the fair value method or intrinsic value method as of the grant date. An enterprise using the intrinsic value method is required to make fair value disclosures.

Listed companies are also to observe the specific guidance by market regulator (SEBI).

Accounting for subsidiaries and affiliates

The Bank consolidates subsidiaries where it controls the ownership, directly or indirectly, of more than one-half of the voting power or controls the composition of the board of directors with the objective of obtaining economic benefits from their activities. The Bank accounts for investments in associates under the equity method of accounting.

U.S. GAAP

Employee Stock Option Plan

According to FASB 123R — Accounting for Share Based Payments, employee stock-based compensation plans have to be accounted for using the fair value method.

Accounting for subsidiaries and affiliates

Consolidates of subsidiaries is required where the Bank, directly or indirectly, holds more than 50% of the voting rights or exercises control. Entities where the Bank holds 20% to 50% of the voting rights and/or has the ability to exercise significant influence are accounted for under the equity method, and the pro rata share of their income (loss) is included in income. The Bank is also required to consolidate Variable Interest Entities where the Bank is determined to be the primary benefactor under FASB Interpretation No. 46, “Consolidation of Variable Interest Entities” (FIN 46 (R)).

TRANSFER AND MARKETING RESTRICTIONS

Transfer Restrictions applicable to all Notes

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

In the case of Notes offered or sold in reliance on Category 1 of Regulation S, each purchaser of Registered Notes will be deemed to have represented and agreed as follows:

- (i) It acknowledges (or if it is broker-dealer, its customer has confirmed to it that such customer acknowledges) that such Notes have not been and will not be registered under the Securities Act.
- (ii) It certifies that either (a) it is, or at the time the Notes are purchased will be, the beneficial owner of the Notes, and (i) it is located outside the United States (within the meaning of Regulation S) and (ii) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate, or (b) it is a broker-dealer acting on behalf of its customer, its customer has confirmed to it that (i) such customer is, or at the time the Notes are purchased will be, the beneficial owner of the Notes, (ii) such customer is located outside the United States (within the meaning of Regulation S) and (iii) it is not an affiliate of the Dealers or a person acting on behalf of such an affiliate.
- (iii) It acknowledges that the Issuer and the Dealers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that, if any of such acknowledgements, representations or warranties deemed to have been made by virtue of its purchase of the Notes are no longer accurate, it will promptly notify the Issuer, and if it is acquiring any Notes as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

In the case of Notes offered or sold in reliance on Category 2 of Regulation S, Rule 144A or Regulation D, each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or vice versa will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (i) that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (b) it is an Institutional Accredited Investor which has delivered an IAI Investment Letter or (c) it is outside the United States and is not a U.S. person;
- (ii) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (iii) that, unless it holds an interest in a Regulation S Global Note and is a person located outside the United States who is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the expiration of the applicable required holding period determined pursuant to Rule 144 of the Securities Act from the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (a) to the Issuer or any affiliate thereof, (b) inside

the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available), (e) to an institutional “accredited investor” within the meaning of subparagraph (a)(1), (2), (3) or (7) of Rule 501 under the Securities Act that is acquiring the Notes for its own account or for the account of such an institutional “accredited investor” for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or (f) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws. If any resale or other transfer of the Notes is proposed to be made pursuant to clause (e) above, the transferor shall deliver (i) an IAI Investment Letter to the Registrar, which shall provide, among other things, that the transferee is an institutional “accredited investor” within the meaning of subparagraph (a)(1), (2), (3) or (7) of Rule 501 under the Securities Act, that it is acquiring such Notes for investment purposes and not for distribution in violation of the Securities Act, and that it will acquire Notes having a minimum purchase price of at least U.S.\$500,000 (or the approximate equivalent in another specified currency (as defined in the Agency Agreement)); and (ii) such other satisfactory evidence as the Issuer may reasonably require from the transferor, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States, and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction;

- (iv) it will, and will require each subsequent holder to, notify any purchaser or transferee, as applicable, of the Notes from it of the resale restrictions referred to in paragraph (iii) above, if then applicable;
- (v) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes, that Notes offered to Institutional Accredited Investors will be in the form of Definitive IAI Registered Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;
- (vi) that the Notes, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, (I) MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR (II) IN THE CASE OF SECURITY ISSUED IN RELIANCE ON CATEGORY 2 OF REGULATION S UNDER THE SECURITIES ACT, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES AND TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, IN EITHER CASE EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT (1) IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS OR (2) IT IS AN INSTITUTIONAL “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN “**INSTITUTIONAL ACCREDITED INVESTOR**”); (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE EXPIRATION OF THE APPLICABLE REQUIRED HOLDING PERIOD DETERMINED PURSUANT TO

RULE 144 OF THE SECURITIES ACT FROM THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (5) TO AN INSTITUTIONAL ACCREDITED INVESTOR WITHIN THE MEANING OF SUBPARAGRAPH (A)(1), (2), (3) OR (7) OF RULE 501 UNDER THE SECURITIES ACT THAT IS ACQUIRING THE NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN CONNECTION WITH, ANY DISTRIBUTION THEREOF IN VIOLATION OF THE SECURITIES ACT OR (6) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; IF ANY RESALE OR OTHER TRANSFER OF THE NOTES IS PROPOSED TO BE MADE PURSUANT TO CLAUSE (5) ABOVE, THE TRANSFEROR SHALL DELIVER A LETTER SUBSTANTIALLY IN THE FORM SET OUT IN SCHEDULE 4 TO THE AGENCY AGREEMENT TO THE REGISTRAR, WHICH SHALL PROVIDE, AMONG OTHER THINGS, THAT THE TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR WITHIN THE MEANING OF SUBPARAGRAPH (A)(1), (2), (3) OR (7) OF RULE 501 UNDER THE SECURITIES ACT, THAT IT IS ACQUIRING SUCH NOTES FOR INVESTMENT PURPOSES AND NOT FOR DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, AND THAT IT WILL ACQUIRE NOTES HAVING A MINIMUM PURCHASE PRICE OF AT LEAST U.S.\$500,000 (OR THE APPROXIMATE EQUIVALENT IN ANOTHER SPECIFIED CURRENCY (AS DEFINED IN THE AGENCY AGREEMENT)) AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

“THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).”;

- (vii) if it is outside the United States, that if it should resell or otherwise transfer the Notes, it will do so only (i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) upon receipt by the Registrar of a written certification substantially in the form set out in Schedule 3 to the Agency Agreement, amended as appropriate (a “**Transfer Certificate**”), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made: (a) to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or (b) to a person who is an Institutional Accredited Investor, together with, in the case of (b), a duly executed investment letter from the relevant transferee substantially in the form set out in Schedule 4 to the Agency Agreement and such other satisfactory evidence as the Issuer may reasonably require from the transferor, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States; (iii) to the Issuer or any affiliate thereof; or (if available) (iv) otherwise pursuant to an effective registration statement under the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States, and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, (I) MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR (II) IN THE CASE OF SECURITY ISSUED IN RELIANCE ON CATEGORY 2 OF REGULATION S UNDER THE SECURITIES ACT, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES AND TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, IN EITHER CASE EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. IN THE CASE OF SECURITY ISSUED IN RELIANCE ON CATEGORY 2 OF REGULATION S UNDER THE SECURITIES ACT, THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART.”; and

- (viii) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Institutional Accredited Investors who purchase Registered Notes in definitive form offered and sold in the United States in reliance upon the exemption from registration provided by Regulation D of the Securities Act are required to execute and deliver to the Registrar an IAI Investment Letter. Upon execution and delivery of an IAI Investment Letter by an Institutional Accredited Investor, Notes will be issued in definitive registered form, see “*Form of the Notes*”.

The IAI Investment Letter will state, among other things, the following:

- (i) that the Institutional Accredited Investor has received a copy of the Offering Circular and such other information as it deems necessary in order to make its investment decision;
- (ii) that the Institutional Accredited Investor understands that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Offering Circular and the Notes (including those set out above), and that it agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with such restrictions and conditions and the Securities Act;
- (iii) that, in the normal course of its business, the Institutional Accredited Investor invests in or purchases securities similar to the Notes;
- (iv) that the Institutional Accredited Investor is an Institutional Accredited Investor within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Notes, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment for an indefinite period of time;
- (v) that the Institutional Accredited Investor is acquiring the Notes purchased by it for its own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which it exercises sole investment discretion and not with a view to any distribution of the Notes, subject, nevertheless, to the understanding that the disposition of its property shall at all times be and remain within its control; and
- (vi) that, in the event that the Institutional Accredited Investor purchases Notes, it will acquire Notes having a minimum purchase price of at least U.S.\$500,000 (or the approximate equivalent in another Specified Currency).

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.\$200,000 (or its foreign currency equivalent) nominal amount or, in the case of sales to Institutional Accredited Investors, U.S.\$500,000 (or its foreign currency equivalent) nominal amount, and no Legended Note will be issued in connection with such a sale in a smaller nominal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$200,000 (or its foreign currency equivalent) or, in the case of sales to Institutional Accredited Investors, U.S.\$500,000 (or its foreign currency equivalent) nominal amount of Registered Notes.

Marketing and Sales Restrictions applicable to Additional Tier 1 Notes

Any Additional Tier 1 Notes issued under this Program and discussed in this Offering Circular are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Additional Tier 1 Notes to retail investors.

In the UK, the FCA COBS requires, in summary, that Additional Tier 1 Notes should not be offered or sold to retail clients (as defined in COBS 3.4 and each a retail client) in the UK.

The Dealers are required to comply with the COBS. By purchasing, or making or accepting an offer to purchase, any Additional Tier 1 Notes (or a beneficial interest in such Additional Tier 1 Notes) from the Bank

and/or the Dealers, each prospective investor represents, warrants, agrees with and undertakes to the Bank and each of the Dealers that:

1. it is not a retail client in the UK;
2. it will not sell or offer the Additional Tier 1 Notes (or any beneficial interest therein) to retail clients in the UK or communicate (including the distribution of the Base Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Additional Tier 1 Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK.

In selling or offering the Additional Tier 1 Notes or making or approving communications relating to the Additional Tier 1 Notes you may not rely on the limited exemptions set out in COBS.

The obligations above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the UK) relating to the promotion, offering, distribution and/or sale of the Additional Tier 1 Notes (or any beneficial interests therein), whether or not specifically mentioned in this Offering Circular, including (without limitation) any requirements under MiFID II or the UK FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Additional Tier 1 Notes (or any beneficial interests therein) for investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Additional Tier 1 Notes (or any beneficial interests therein) from the Bank and/or the Dealers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

GENERAL INFORMATION

Authorization

1. The establishment of the Program and the issue of Notes have been duly authorized by a resolution of the Executive Committee of the Central Board of the Issuer dated October 21, 2004. The increase of the size of the Program from U.S.\$ 1,000,000,000 to U.S.\$2,000,000,000 and the issue of Notes thereunder have been duly authorized by a resolution of the Executive Committee of the Central Board of the Issuer dated August 4, 2005. The Executive Committee of the Central Board of the Issuer by its resolution dated October 10, 2006 has authorized the issue of the Notes, including the Additional Tier 1 Notes and Tier 2 Notes. Subsequently, the increase of the size of the Program from U.S.\$2,000,000,000 to U.S.\$5,000,000,000 and the issue of Notes thereunder have been duly authorized by a resolution of the Executive Committee of the Central Board of the Issuer dated January 29, 2007. The size of the Program was further increased from U.S.\$5,000,000,000 to U.S.\$10,000,000,000 and the issue of the Notes thereunder have been duly authorized by a resolution of the Executive Committee of the Central Board of the Issuer dated December 24, 2010.
2.
 - (a) As at the date hereof, the issuance of Notes by the Issuer acting through its Hong Kong Branch, London Branch, Sydney Branch, IBU at the IFSC Gift City or any of its other branches outside of India for borrowings in foreign currency for the purpose of funding its foreign offices in the normal course of banking business outside India does not require any approval from the RBI and/or the Ministry of Finance. The Issuer may file the Offering Circular with the RBI after issue of the Notes, as may be required by the RBI, from time to time.
 - (b) The Issuer is, however, required to: (i) comply with reporting requirements specified under the guidelines issued by the RBI (by its circular DBS No. FBC.BC.34/13.12.001/1999/2000 dated April 6, 2000, its circular No. DBOD No. BP.BC.89/21.04.141/2008-09 dated December 1 2008, and its circular No. DBOD.No.BP.BC.111/21.04.157/2013-14 dated May 12, 2014) and (ii) report as part of the overseas liabilities and DSBO Returns I and II with respect to operation of overseas branches of Indian banks, as amended, modified or supplemented from time to time.
 - (c) The issuance of Tier 2 Subordinated Notes for the purpose of raising indebtedness classified as Tier 2 subordinated indebtedness and the issuance of Additional Tier 1 Notes for inclusion as Tier 1 capital by the RBI to meet capital adequacy norms of the Issuer will require prior approval of the RBI if it is not in compliance with the conditions stipulated in the RBI guidelines. Additional reporting requirements may also be imposed by the RBI either before or after the issue.

Listing

3. Application has been made to the SGX-ST for permission to deal in, and quotation of any Notes that may be issued pursuant to the Program and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes, if traded, will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies).

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a Paying Agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, in the event that any of the Global Notes representing such Notes is exchanged for definitive Notes. In addition, in the event that any of the Global Notes is exchanged for definitive Notes, for so long as such Notes are listed on the SGX-ST, an announcement of such exchange will be made by the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the Paying Agent in Singapore.

Application will be made to the Global Securities Market of the India INX for the listing and quotation of the Notes on the Global Securities Market of the India INX that may be issued pursuant to the Program.

Application will be made to the NSE IX for the listing and quotation of Notes on the NSE IX that may be issued pursuant to the Program.

Clearing systems

4. The Bearer Notes to be issued under the Program have been accepted for clearance through Euroclear and Clearstream. The appropriate common code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream will be specified in the applicable Pricing Supplement. In addition, the Issuer may make an application for any Registered Notes to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and common code, will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Pricing Supplement.

No significant change

5. Save as disclosed in this Offering Circular, there has been no material adverse change in the financial position or prospects of the Bank and the Bank and its subsidiaries taken as a whole since March 31, 2025.

Litigation

6. The Bank and/or the Group is not involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Bank is aware) which may have or have had in the 12 months preceding the date of this document a significant effect on the financial position of the Bank and/or the Group.

Accounts

1. The Auditors (as defined in the Trust Deed) of the Issuer have audited the Issuer's unconsolidated accounts and the Group's consolidated accounts, in each case as of and for the years ended March 31, 2025, 2024 and 2023.

2. The Trust Deed provides that the Trustee may rely on certificates or reports from the Auditors or any other person in accordance with the provisions of the Trust Deed as sufficient evidence of the facts stated therein whether or not called for by or addressed to the Trustee and whether or not any such certificate or report or engagement letter or other document entered into by the Trustee and the Auditors or such other person in connection therewith contains a monetary or other limit on the liability of the Auditors or such other person. However, the Trustee will have no recourse to the Auditors or such other person in respect of such certificates or reports unless the Auditors or such other person have agreed to address such certificates or reports to the Trustee.

Documents

3. So long as Notes are capable of being issued under the Program, copies of the following documents will, when published and/or entered into, be available from the corporate office of the Issuer, the specified office of the Australian Agent and from the specified office of the Principal Paying Agent in London:
 - (a) the audited financial statements of each of the Bank and the Group in respect of fiscal years 2025, 2024 and 2023;
 - (b) the most recently published audited annual financial statements of the Bank and the most recently published audited or reviewed, as the case may be, interim financial results of the Bank (the Bank currently prepares unaudited unconsolidated limited review of interim results on a quarterly basis under Indian regulatory requirements);
 - (c) the Trust Deed, the Agency Agreement, the Australian Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
 - (d) a copy of this Offering Circular; and
 - (e) any future offering circular, prospectuses, information memoranda and supplements including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

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State Bank of India

Balance Sheet as at 31st March 2025

(000s omitted)

	Schedule No.	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
CAPITAL AND LIABILITIES			
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
TOTAL		6676053,26,87	6179693,94,50
ASSETS			
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
TOTAL		6676053,26,87	6179693,94,50
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: 3rd 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: 3rd May 2025

Schedules

forming part of the Balance Sheet as at 31st March 2025

SCHEDULE 1 - CAPITAL

	(000s omitted)	
	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
Authorised Capital :		
5000,00,00,000 shares of ₹ 1 each (Previous Year 5000,00,00,000 shares of ₹ 1 each)	5000,00,00	5000,00,00
Issued Capital :		
892,54,05,164 Equity shares of ₹ 1 each (Previous Year 892,54,05,164 Equity shares of ₹ 1 each)	892,54,05	892,54,05
Subscribed and Paid up Capital :		
892,46,20,034 Equity shares of ₹ 1 each (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 (Previous Year 9,58,88,670 Equity shares of ₹ 1 each) represented by 79,78,747 (Previous Year 95,88,867) Global Depository Receipts]		
TOTAL	892,46,20	892,46,12

SCHEDULE 2 - RESERVES AND SURPLUS

	(000s omitted)	
	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
I. Statutory Reserves		
Opening Balance	118960,74,29	100637,75,69
Additions during the year	21270,18,84	18322,98,60
Deductions during the year	-	-
	140230,93,13	118960,74,29
II. Capital Reserves		
Opening Balance	16319,00,11	15992,79,07
Additions during the year	2171,56,83	326,21,04
Deductions during the year	-	-
	18490,56,94	16319,00,11
III. Share Premium		
Opening Balance	79115,47,68	79115,47,68
Additions during the year	1,280	-
Deductions during the year	-	-
	79115,60,48	79115,47,68
IV. Investment Fluctuation Reserve		
Opening Balance	11522,30,12	12271,38,17
Additions during the year	-	-
Deductions during the year	-	749,08,05
	11522,30,12	11522,30,12

(000s omitted)

	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
V. Foreign Currency Translation Reserve		
Opening Balance	13543,94,38	12755,17,91
Additions during the year	1906,70,30	788,76,47
Deductions during the year	-	-
	15450,64,68	13543,94,38
VI. Revenue and Other Reserves *		
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	-
	59607,33,89	59209,04,91
VII. Revaluation Reserve		
Opening Balance	27555,64,70	27756,25,90
Additions during the year	-	-
Deductions during the year	200,03,03	200,61,20
	27355,61,67	27555,64,70
VIII. AFS Reserve		
Opening Balance	-	-
Additions during the year	6637,28,29	-
Deductions during the year	-	-
	6637,28,29	-
IX. Balance in Profit and Loss Account	81859,36,61	50127,91,06
TOTAL	440269,65,81	376354,07,25

* 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 31st March 2025

SCHEDULE 3 - DEPOSITS

(000s omitted)

	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
A. I. Demand Deposits		
(i) From Banks	4511,89,19	5960,27,24
(ii) From Others	371436,17,31	293617,61,43
II. Savings Bank Deposits	1707929,51,93	1661843,63,48
III. Term Deposits		
(i) From Banks	14579,14,17	5197,59,09
(ii) From Others	3283732,80,23	2949457,65,69
TOTAL	5382189,52,83	4916076,76,93
B. I. Deposits of Branches in India	5166863,46,11	4724335,65,10
II. Deposits of Branches outside India	215326,06,72	191741,11,83
TOTAL	5382189,52,83	4916076,76,93

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 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
I. Borrowings in India		
(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
	99839,00,00	93800,40,00
TOTAL	188855,00,00	288734,81,02
II. Borrowings outside India		
(i) Borrowings and Refinance outside India	374717,52,36	308826,09,76
(ii) Capital Instruments:		
Innovative Perpetual Debt Instruments (IPDI)	-	-
TOTAL	374717,52,36	308826,09,76
GRAND TOTAL	563572,52,36	597560,90,78
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 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
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
TOTAL	289129,09,67	288809,73,42

* 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 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
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	-	-
TOTAL	227217,49,40	225141,69,61

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(000s omitted)

	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
I. In India		
(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
TOTAL	7980,86,94	29816,70,25
II. Outside India		
(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
TOTAL	105031,32,37	55843,58,94
GRAND TOTAL (I and II)	113012,19,31	85660,29,19

Schedules

forming part of the Balance Sheet as at 31st March 2025

SCHEDULE 8 - INVESTMENTS

	(000s omitted)	
	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
I. Investments in India in:		
(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
TOTAL	1616389,81,42	1605083,60,41
II. Investments outside India in:		
(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
TOTAL	74182,93,23	66256,05,20
GRAND TOTAL (I and II)	1690572,74,65	1671339,65,61
III. Investments in India:		
(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)	1616389,81,42	1605083,60,41
IV. Investments outside India:		
(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)	74182,93,23	66256,05,20
GRAND TOTAL (III and IV)	1690572,74,65	1671339,65,61

SCHEDULE 9 - ADVANCES

	(000s omitted)	
	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
A. I. Bills purchased and discounted	243284,21,86	217376,95,24
II. Cash credits, overdrafts and loans repayable on demand	1178837,27,92	1001454,43,22
III. Term loans	2741190,60,38	2485139,46,94
TOTAL	4163312,10,16	3703970,85,40
B. I. Secured by tangible assets (includes advances against Book Debts)	2736334,51,70	2391775,49,19
II. Covered by Bank / Government Guarantees	220931,11,57	193146,54,72
III. Unsecured	1206046,46,89	1119048,81,49
GRAND TOTAL (A + B)	4163312,10,16	3703970,85,40

(000s omitted)

	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
C. (I) Advances in India		
(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
TOTAL	3545376,84,28	3165997,94,14
(II) Advances outside India		
(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
TOTAL	617935,25,88	537972,91,26
GRAND TOTAL [C-I & C-II]	4163312,10,16	3703970,85,40

SCHEDULE 10 - FIXED ASSETS

(000s omitted)

	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
I. Premises (including Revalued Premises)		
At cost/revalued as at 31 st 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
	32399,01,37	32370,02,21
II. Other Fixed Assets (including furniture and fixtures)		
At cost as at 31 st 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
	11285,69,14	9756,34,70
III. Assets under Construction (including Premises)	422,84,75	490,88,34
TOTAL (I, II, and III)	44107,55,26	42617,25,25

Schedules

forming part of the Balance Sheet as at 31st March 2025

SCHEDULE 11 - OTHER ASSETS

	(000s omitted)	
	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
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
TOTAL	437831,18,09	450964,19,44

*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 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
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
TOTAL	2668237,39,65	2389320,82,36

State Bank of India

Profit and Loss Account for the year ended 31st March, 2025

(000s omitted)

	Schedule No.	Year ended 31.03.2025 (Current Year) ₹	Year ended 31.03.2024 (Previous Year) ₹
I. INCOME			
Interest earned	13	462489,35,35	415130,65,55
Other Income	14	61683,05,92	51682,16,37
TOTAL		524172,41,27	466812,81,92
II. EXPENDITURE			
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
TOTAL		453271,78,46	405736,19,90
III. PROFIT			
Net Profit for the year		70900,62,81	61076,62,02
Add: Profit/ (Loss) brought forward		50127,91,06	24098,71,82
TOTAL		121028,53,87	85175,33,84
IV. APPROPRIATIONS			
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
TOTAL		121028,53,87	85175,33,84
V. EARNINGS PER EQUITY SHARE (Face value ₹ 1 per share)			
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: 3rd 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: 3rd May 2025

Schedules

forming part of the Profit and Loss Account for the year ended 31st March 2025

SCHEDULE 13 - INTEREST EARNED

(000s omitted)

	Year ended 31.03.2025 (Current Year) ₹	Year ended 31.03.2024 (Previous Year) ₹
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
TOTAL	462489,35,35	415130,65,55

SCHEDULE 14 - OTHER INCOME

(000s omitted)

	Year ended 31.03.2025 (Current Year) ₹	Year ended 31.03.2024 (Previous Year) ₹
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
TOTAL	61683,05,92	51682,16,37

* 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 31.03.2025 (Current Year) ₹	Year ended 31.03.2024 (Previous Year) ₹
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
TOTAL	295524,22,52	255254,82,88

Schedules

forming part of the Profit and Loss Account for the year ended 31st March 2025

SCHEDULE 16 - OPERATING EXPENSES

(000s omitted)

	Year ended 31.03.2025 (Current Year) ₹	Year ended 31.03.2024 (Previous Year) ₹
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
TOTAL	118069,02,22	124860,81,35

* 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 31st 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.

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 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.

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st 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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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:

Substandard Assets:	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%	
Doubtful Assets:	Secured portion	i.	Up to one year	25%
		ii.	One to three years	40%
		iii.	More than three years	100%
	Unsecured portion			100%
	Loss Assets:			100%

- 3.4 In respect of foreign offices, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- 3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.
- 3.6 For restructured/ rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans/ advances before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.
- 3.7 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the 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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- 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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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 1st 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 st March 2025	As at 31 st 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 (%) (CET 1 as a percentage of RWAs)	10.81%	10.36%
viii)	Tier 1 capital Ratio (%) (Tier 1 capital as a percentage of RWAs)	12.11%	11.93%
ix)	Tier 2 capital Ratio (%) (Tier 2 capital as a percentage of RWAs)	2.14%	2.35%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (%) (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: Basel III compliant Perpetual Debt Instruments	5,000.00	8,101.00
xv)	Amount of Tier 2 capital raised during the year: 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 1st March 2016, has given discretion to banks to consider Revaluation Reserve, Foreign Currency Translation Reserve and Deferred Tax Asset for purposes of computation of Capital Adequacy as CET- I capital ratio. The Bank has exercised the option in the above computation.

* 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 31st March 2025.

c. Innovative Perpetual Debt Instruments (IPDI):

The details of IPDI issued which qualify for Hybrid Tier I Capital and outstanding as on 31st March 2025 are as under:

Sr. No.	Nature of Bonds	Principal Amount (₹ in Crore)	Date of Issue	Interest Rate % 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
TOTAL		48,708.00		

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 (₹ in Crore)	Date of Issue /Date of Redemption	Interest Rate % p.a.	Maturity Period 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		
TOTAL		51,131.00			

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18.2. ASSET LIABILITY MANAGEMENT

a. Maturity pattern of certain items of assets and liabilities as at 31st 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)	(2,58,085.63)	(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 31st 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 31 st March 2025		Quarter ended 31 st December 2024		Quarter ended 30 th September 2024		Quarter ended 30 th June 2024		Quarter ended 31 st March 2024	
	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
HIGH QUALITY LIQUID ASSETS (HQLA)										
1. Total High Quality Liquid Assets (HQLA)		14,37,326		14,27,211		13,65,149		12,93,543		13,13,148
CASH OUTFLOWS										
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
CASH INFLOWS										
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 31st 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 31st 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 31st March 2015 had stipulated the implementation of LCR at a consolidated level from 1st 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 31st 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 March 31, 2025		Quarter ended December 31, 2024		Quarter ended September 30, 2024		Quarter ended June 30, 2024		Quarter ended March 31, 2024	
	Total Unweighted Value (Average)**	Total Weighted Value (Average)	Total Unweighted Value (Average)**	Total Weighted Value (Average)	Total Unweighted Value (Average)**	Total Weighted Value (Average)	Total Unweighted Value (Average)**	Total Weighted Value (Average)	Total Unweighted Value (Average)**	Total Weighted Value (Average)
HIGH QUALITY LIQUID ASSETS (HQLA)										
1. Total High Quality Liquid Assets (HQLA)		14,48,277		14,36,833		13,74,090		13,13,366		13,33,091
CASH OUTFLOWS										
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
CASH INFLOWS										
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.

$$\text{NSFR} = \frac{\text{Available Stable Funding (ASF)}}{\text{Required Stable Funding (RSF)}} \geq 100\%$$

Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st March 2025

Quantitative Disclosure: The following table contains unweighted and weighted values of NSFR components of SBI (Solo) as on 31st March 2025, 31st December 2024, 30th September 2024 & 30th 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)

NSFR Components		Net Stable Funding Ratio (State Bank of India - Standalone)									
		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 17th 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 31st 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 01st October 2021. As on 31st 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 31st December 2024 while the total RSF has decreased over 31st 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 31st 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 st March 2025					31 st December 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)	4,50,153	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 31st March 2025

(₹ in Crore)

NET STABLE FUNDING RATIO (State Bank of India Group)											
Statements for the Quarter ending		30 th September 2024					30 th June 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)	4,28,728	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 31st March 2025:

Particulars FY2024-25	Investments In India						Investments outside India			Total investments outside India	Whole Bank Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries &/or Joint Ventures	Others	Government Securities (including Local Authorities)	Subsidiaries &/or Joint Ventures	Others		
Held to Maturity											
Gross	11,51,035.10	-	-	53,025.93	NA	9,571.88	3,898.17	NA	1,261.80	5,159.97	12,18,792.88
Less: Provision for non-performing investments (NPI)	-	-	-	-	NA	-	-	-	-	-	-
Net	11,51,035.10	-	-	53,025.93	NA	9,571.88	3,898.17	NA	1,261.80	5,159.97	12,18,792.88
Available for Sale											
Gross	1,13,856.67	-	7,548.47	1,04,455.53	NA	-	30,440.78	NA	32,878.99	63,319.77	2,89,181.26
Less: Provision for depreciation and NPI	-	-	64.86	-	NA	-	-	-	-	-	64.86
Net	1,13,856.67	-	7,483.61	1,04,455.53	NA	-	30,440.78	NA	32,878.99	63,319.77	2,89,116.40
Fair value through P&L (a) HFT											
Gross	61,784.92	-	14,161.29	20,678.82	NA	52,957.39	-	NA	-	-	1,49,582.42
Less: Provision for depreciation and NPI	-	-	15.58	-	NA	-	-	-	-	-	15.58
Net	61,784.92	-	14,145.71	20,678.82	NA	52,957.39	-	NA	-	-	1,49,566.84
Fair value through P&L (b) NON-HFT											
Gross	-	-	2,391.68	3,317.48	NA	8,571.91	-	NA	22.98	22.98	14,304.05
Less: Provision for depreciation and NPI	-	-	719.42	1,403.10	NA	1,128.75	-	-	-	-	3,251.27
Net	-	-	1,672.26	1,914.38	NA	7,443.16	-	NA	22.98	22.98	11,052.78
Investment in Subsidiaries, Associates and Joint Ventures											
Gross	-	-	-	-	16,414.98	-	-	5,680.22	-	5,680.22	22,095.20
Less: Provision for depreciation and NPI	-	-	-	-	51.35	-	-	-	-	-	51.35
Net	-	-	-	-	16,363.63	-	-	5,680.22	-	5,680.22	22,043.85
Total Investments											
Gross	13,26,676.69	-	24,101.44	1,81,477.75	16,414.98	71,101.19	34,338.95	5,680.22	34,163.77	74,182.94	16,93,955.81
Less: Provision for non-performing investments (NPI)	-	-	377.21	984.74	-	-	-	-	-	-	1,361.95
Less: Provision for depreciation	-	-	2.51	283.78	51.35	1,128.75	-	-	-	-	1,467.21
Less: LICRA *	-	-	419.32	134.58	-	-	-	-	-	-	553.89
Net	13,26,676.69	-	23,302.40	1,80,074.65	16,363.63	69,972.44	34,338.95	5,680.22	34,163.77	74,182.94	16,90,572.75

(*LICRA - Liability on Interest Capitalisation on Restructured Accounts)

Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st March 2025

Composition of investment portfolio as at 31st March 2024

Particulars FY2023-24	Investments In India						Total investments in India	Investments outside India			Total investments outside India	Whole Bank Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries &/or Joint Ventures	Others		Government Securities (including Local Authorities)	Subsidiaries &/or Joint Ventures	Others		
Held to Maturity												
Gross	1065,696.16	-	800	16,620.41	7,792.63	1,580.00	10,91,697.20	778.07	5,680.22	133.90	6,592.19	10,98,289.39
Less: Provision for non-performing investments (NPI)	-	-	800	-	42.87	112.05	162.92	-	-	6.66	6.66	169.58
Net	10,65,696.16	-	-	16,620.41	7,749.76	1,467.95	10,91,534.28	778.07	5,680.22	127.24	6,585.53	10,98,119.81
Available for Sale												
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 NPI	8.42	-	795.28	2,349.66	-	6,452.17	9,605.53	324.56	-	775.11	1,099.67	10,705.20
Net	2,94,162.33	-	7,199.27	1,60,265.40	7,810.00	37,469.37	5,06,906.37	30,901.75	-	28,768.77	59,670.52	5,66,576.89
Held for Trading												
Gross	5,881.70	-	-	761.26	-	-	6,642.96	-	-	-	-	6,642.96
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	5,881.70	-	-	761.26	-	-	6,642.96	-	-	-	-	6,642.96
Total Investments												
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 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
Net	13,65,740.19	-	7,199.27	1,77,647.07	15,559.76	38,937.32	16,05,083.61	31,679.82	5,680.22	28,896.01	66,256.05	16,71,339.66

* 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 12th September 2023 on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 revised Investment Framework. On 1st 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 9th 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
Closing balance	11,522.30	11,522.30
Closing balance of investments in AFS & FVTPL-HFT/(HFT in FY23-24) category	4,38,763.68	5,76,115.05
Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT category	2.63%	2.00%

c. Sales and transfers to/from HTM Category:

During the financial year 2024-25, no transfers have been made to/from HTM category.

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st 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
Closing balance	1,683.60	1,824.99
Total provisions held on above	1,681.55	1,820.82

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	-	-
Total		3,63,896.06	3,05,599.47	1,48,819.20	1,45,129.38	2,233.99	4,697.96	22.98	1,903.70	198.00	398.62

* 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
i) Securities sold under Repo								
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	-	-
ii) Securities purchased under Reverse Repo								
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 27th 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 st March 2025	31 st 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

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st March 2025

18.4 ASSET QUALITY

a. Classification of Advances and provisions held for the year ended 31st March 2025

(₹ in Crore)

Particulars	Standard Advances	Sub Standard Advances	Doubtful Advances	Loss Advances	Total Non-Performing Advances	Total
Gross Standard Advances and NPAs						
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
Closing balance (A+B-C)	41,43,822.54	15,829.89	36,672.73	24,377.58	76,880.20	42,20,702.74
* 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
Provisions (excluding Floating Provisions)						
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
Closing balance of provisions held	24,423.64[§]	3,004.42	29,639.67	24,377.58	57,021.67	81,445.31
Net NPAs						
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	
Closing Balance		12,825.48	6,841.44	-	19,666.92^{§§}	

[§] Excludes additional provision held ₹4,562.00 Crore on Restructured Standard Assets over and above regulatory requirement.

^{§§} Floating provision of ₹191.61 Crore is netted to arrive at net NPA.

Classification of Advances and provisions held for the year ended 31st March 2024

(₹ in Crore)

Particulars	Standard Advances	Sub Standard Advances	Doubtful Advances	Loss Advances	Total Non-Performing Advances	Total
Gross Standard Advances and NPAs						
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
Closing balance (A+B-C)	36,83,258.18	14,996.69	41,552.12	27,727.52	84,276.33	37,67,534.51
* 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
Provisions (excluding Floating Provisions)						
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
Closing balance of provisions held	24,112.57^s	2,926.45	32,379.65	27,727.52	63,033.64	87,146.19
Net NPAs						
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	
Closing Balance		12,070.23	8,980.85	-	21,051.08^{ss}	

^s Excludes additional provision held ₹6,385.00 Crore on Restructured Standard Assets over and above regulatory requirement.

^{ss} Floating provision of ₹191.61 Crore is netted to arrive at net NPA.

Floating Provisions:

(₹ in Crore)

Particulars	Current Year	Previous Year
Opening Balance	193.75	193.75
Add: Additional provisions made during the year	-	-
Less: Amount drawn down during the year	-	-
Closing balance of floating provisions	193.75	193.75

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Technical write-offs and the recoveries made thereon:

(₹ in Crore)		
Particulars	Current Year	Previous Year
Opening balance of Technical/ Prudential written-off accounts	--	--
Add: Technical/ Prudential write-offs during the year	--	--
Less: Recoveries made from previously technical/ prudential written-off accounts during the year	--	--
Closing balance	--	--

Asset Quality Ratios:

Particulars	Current Year	Previous Year
Gross NPA to Gross Advances	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
A. Priority Sector						
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
Sub-total (A)	9,34,340.90	45,564.28	4.88	8,34,788.88	42,995.47	5.15
B. Non-Priority Sector						
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
Sub-total (B)	32,86,361.84	31,315.92	0.95	29,32,745.63	41,280.86	1.41
Total (A+B)	42,20,702.74	76,880.20	1.82	37,67,534.51	84,276.33	2.24

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 7th 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
Total	6	14	3	306

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 1st 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 31st March 2024, based on the conditions mentioned in RBI Circular No. DOR.ACC.REC. No.74/21.04.018/2022-23 dated 11th 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 24th 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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Sale of Loans:

- i) The details of the Non-Performing Assets transferred are given below:

Particulars	Current Year			Previous Year		
	To ARCs	To permitted transferees	To other transferees	To ARCs	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 31st 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 31st March 2025. Book value of the Government guaranteed Security Receipts (backed by NPAs) as on 31st 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 31st 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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h. Resolution Framework for COVID-19 related Stress:

The details of resolution plan as on 31st March 2025, in terms of RBI Circular DOR. No. BP.BC/3/21.04.048/2020-21 dated 6th August 2020 (Resolution Framework 1.0) and DOR.STR.REC.11/21.04.048/2021-22 dated 5th May 2021 (Resolution Framework 2.0) are:

Type of borrower	₹ in Crore				
	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year	(B) Of (A), aggregate debt that slipped into NPA during the half-year	(C) Of (A) amount written off during the half-year	(D) Of (A) amount paid by the borrowers during the half year	(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	9,864	264		633	8,967
Corporate persons	4,966	174		836	3,956
of which, MSMEs	4,227	174		675	3,378
Others	-	-		-	-
Total	14,830	438		1,469	12,923

18.5. EXPOSURES

a) Exposure to real estate sector:

		₹ in Crore	
Sr. No.	Particulars	Current Year	Previous Year
I	Direct exposure		
a)	Residential Mortgages		
	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)	Commercial Real Estate		
	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
c)	Investments in Mortgage-Backed Securities (MBS) and other securitised exposures:		
	- Residential	-	-
	- Commercial Real Estate	-	-
II	Indirect Exposure		
	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
	Total Exposure to Real Estate Sector	10,88,703.32	9,47,857.57

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
Total Exposure to Capital Market		53,637.10	42,116.41

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 st March 2025		As at 31 st 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
Total	4,82,770.41	288.99	4,02,813.45	246.91

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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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st March 2025

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 31st 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 7th 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 31st 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 [§]	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 31st 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
		11,55,366.27		

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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
I. Derivatives (Notional Principal Amount)				
(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
II. Marked to Market Positions				
(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
III. Credit Exposure	67,503.07	49,567.78	13,039.54	9,972.98
IV. Likely impact of one percentage change in interest rate (100* PV01)				
(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
V. Maximum and Minimum of 100*PV 01 observed during the year				
(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 31st March 2025 amounted to ₹35,818.50 Crore (Previous Year ₹ 50,517.50 Crore) and the derivatives done between SBI Foreign Offices as on 31st 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 31st 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
i.	Number of Transactions during the year:		
-	transactions that are physically settled	Nil	Nil
-	Cash settled	Nil	1
ii.	Amount of protection bought/sold during the year		
-	transactions that are physically settled	Nil	Nil
-	Cash settled	Nil	₹25.00 Crore
iii.	Number of transactions where credit event payment was received/made during the year:		
-	Pertaining to current year's transactions	Nil	Nil
-	Pertaining to previous year's transactions	Nil	Nil
iv.	Net income/profit (expenditure/loss) in respect of CDS transactions during year to date:		
-	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 th April 2024 and unwind fee received ₹0.13 Crore on 12 th April 2024
v.	Outstanding transactions as on 31st March 2025		
-	Number of transactions	Nil	Nil
-	Amount of protection	Nil	Nil
vi.	Highest level of outstanding transactions during the year:		
-	Number of transactions (on 4 th April 2024)	Nil	1
-	Amount of protection (on 4 th 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	18,669.90	14,423.47

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
Complaints received by the bank from its customers:			
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
[§]Maintainable complaints received by the bank from Office of Ombudsman:			
5	Number of maintainable complaints received by the bank from Office of Ombudsman	27,338 [®]	31,719 [#]
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

[®] Including complaints which were pending as at the end of the FY 2023-24 and carried over to FY 2024-25.

[#] 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
Total	1,31,423	28,50,520	(-)11.85	1,20,120	14,768

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
Total	1,35,112	32,33,561	(-)16.30	1,31,423	42,473

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 23rd 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 13th July 2026.

(R denote South African Rand)

- b) During the year ended 31st 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
TOTAL	2,766.83	2,670.48

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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
Total	1,783.07	1,222.34

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	-
Total	2,09,830.75	11,000.00	1,98,129.00	15,510.00

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
Total	39,678.54	25,620.56

f) Implementation of IFRS converged Indian Accounting Standards (Ind AS):

RBI vide Circular DBR.BP.BC.No.29/21.07.001/2018-19 dated 22nd 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 24th 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 31st March 2025, is as follows:
 - i. The Bank has given Letter of Comfort to the Governor, Bank of Indonesia on 12th 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 6th 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 31st 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 22nd 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* As on 31 st March 2025
(A) Total green deposits raised during the year	105.92	22.39	128.31
1) Renewable Energy	--	--	--
2) Energy Efficiency	--	--	--
3) Clean Transportation: 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) Total Green Deposit funds allocated (B = Sum of 1 to 9)	105.92	--	128.31
(C) Amount of Green Deposit funds not allocated (C = A - B)	--	22.39	--
(D) Green deposit proceeds pending their allocation to the eligible green activities/projects	--	22.39 **	--

*The cumulative figures denote the cumulative amount since 11th January 2024 being the date from which Bank started raising green deposits.

** As on 31st 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 31st March 2025 as compared to those followed in the previous financial year ended 31st 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 12th September 2023**, applicable from 1st April 2024 as stated below:

• Policies on classification and valuation of investments:

With effect from 1st 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 12th 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 31st March 2025 are not comparable to figures reported for the year ended on 31st March 2024.

- ii. As per RBI Circular no. RBI/DOR/2024-25/135 DOR.STR.REC.72/ 21.04.048/2024-25 dated 29th 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
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation as at 1 st 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 st March	2,04,470.79	1,90,944.96	13,376.61	12,833.94
Change in Plan Assets				
Opening fair value of Plan Assets as at 1 st 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 st March	1,67,431.25	1,51,643.97	12,554.88	12,139.72

(₹ in Crore)

Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st March 2025

(₹ in Crore)

Particulars	Pension Plan		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
Reconciliation of present value of the obligation and fair value of the plan assets				
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
Amount Recognised in the Balance Sheet				
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
Net Cost recognised in the profit and loss account				
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
Reconciliation of expected return and actual return on Plan Assets				
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
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet				
Opening Net Liability/ (Asset) as at 1 st 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 31st 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%
Total	100.00%	100.00%	100.00%	100.00%

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 31st 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
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation as at 1 st 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 st March	46,118.95	41,827.21
Change in Plan Assets		
Opening fair value of Plan Assets as at 1 st 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 st March	46,430.44	42,600.99
Reconciliation of present value of the obligation and fair value of the plan assets		
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
Net Cost recognised in the profit and loss account		
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
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1 st 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 31st March 2025

Plan Assets of Provident Fund as on 31st 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%
Total	100.00%	100.00%

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:

- one half percent above the average standard rate (adjusted up or down to the interest one quarter per cent) quoted by the bank for new deposits fixed for twelve months in the preceding year (ending on the preceding the 31st day of March); or
- 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 1st 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 (Privilege Leave)	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation as at 1 st 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 st March	15,895.61	13,543.96
Net Cost recognised in the profit and loss account		
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
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1 st 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 (Urban)	IALM 2012-14 (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.

Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st 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 (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:

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 7th 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):**

							(₹ in Crore)
Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking			Other Banking Operations	Total
			Digital Banking	Other retail Banking	Total		
Revenue (before exceptional items) [#]	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 [#]							1,771.97
							(2,223.01)
Total Revenue [#]							5,24,172.41
							(4,66,812.82)
Result (before exceptional items) [#]	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 [#]							Nil
							(7,100.00)
Result (after exceptional items) [#]							1,05,171.64
							(89,110.41)
Unallocated Income(+) / Expenses(-) - net [#]							-9,900.37
							(-7,327.45)
Profit before tax [#]							95,271.27
							(81,782.96)
Tax [#]							24,370.64
							(20,706.34)
Extraordinary Profit [#]							Nil
							Nil
Net Profit [#]							70,900.63
							(61,076.62)

Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st March 2025

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking			Other Banking Operations	Total
			Digital Banking	Other retail 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 31st March 2025.

* As at 31st March, 2025.

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 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 31st 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 8th 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 28th August 2024)
2. Shri Dinesh Kumar Khara, Chairman (up to 27th August 2024)
3. Shri Challa Sreenivasulu Setty, Managing Director (International Banking, Global Markets & Technology) (till 27th August 2024)
4. Shri Ashwini Kumar Tewari, Managing Director (Corporate Banking & Subsidiaries)
5. Shri Alok Kumar Choudhary, Managing Director (Risk, Compliance & SARG) (up to 30th June 2024)
6. Shri Vinay M. Tonse, Managing Director (Retail Business & Operations)
7. Shri Rana Ashutosh Kumar Singh, Managing Director (Risk, Compliance & SARG) (from 7th August 2024)
8. Shri Rama Mohan Rao Amara, Managing Director (International Banking, Global Markets & Technology) (from 18th 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/ Joint Ventures	Key Management Personnel & their relatives	Total	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Outstanding as at	31st March 2025			31st March 2024		
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
Maximum outstanding	During FY 2024-25			During FY 2023-24		
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
During the year	During FY 2024-25			During FY 2023-24		
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.

Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st 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 31 st March 2025	As at 31 st 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
Total	433.64	93.17

- 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
Basic and diluted		
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 31 st March 2025	As at 31 st March 2024
Deferred Tax Assets (DTA)		
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
Total	24,267.01	24,527.76
Deferred Tax Liabilities (DTL)		
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
Total	15,037.58	13,103.89
Net Deferred Tax Assets/(Liabilities)	9,229.43	11,423.87

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.

Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st 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 (₹ in Crore)	Country of Residence	Holding %
C - Edge Technologies Ltd.	4.90 (4.90)	India	49% (49%)
SBI Macquarie Infrastructure Management Pvt. Ltd.	18.57 (18.57)	India	45% (45%)
SBI Macquarie Infrastructure Trustee Pvt. Ltd.	0.03 (0.03)	India	45% (45%)
Maquarie SBI Infrastructure Management Pte. Ltd.*	- (2.25)	Singapore	45% (45%)
Macquarie SBI Infrastructure Trustee Ltd. **	- (-)	Bermuda	45% (45%)
Oman India Joint Investment Fund – Management Company Pvt. Ltd.	2.30 (2.30)	India	50% (50%)
Oman India Joint Investment Fund – Trustee Company Pvt. Ltd.	0.01 (0.01)	India	50% (50%)
Jio Payments Bank Limited ***	79.08 (-)	India	14.96% (-)
Total	104.89 (28.06)		

* 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 31st 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 31 st March 2025	As at 31 st March 2024
Liabilities		
Capital & Reserves	332.44	244.45
Deposits	44.17	-
Borrowings	-	-
Other Liabilities & Provisions	83.68	52.47
Total	460.29	296.92
Assets		
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
Total	460.29	296.92
Capital Commitments	-	-
Other Contingent Liabilities	1.79	1.49

(₹ in Crore)

Particulars	As at 31 st March 2025	As at 31 st March 2024
Income		
Interest earned	13.90	10.16
Other income	301.02	218.30
Total	314.92	228.46
Expenditure		
Interest expended	1.11	-
Operating expenses	226.11	164.34
Provisions & contingencies	27.43	17.51
Total	254.65	181.85
Profit	60.27	46.61

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.

Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st 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
Closing balance	2,520.59	2,603.68

18.15. ADDITIONAL DISCLOSURES

- a. Pursuant to Gazette Notification No. CG-DL-E-07042025-262329 dated 5th 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 1st May 2025. The Bank's investments in these RRBs are included in its financial statements as at 31st 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 23rd June 2017 and 28th August 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the bank is holding total provision of ₹91.41 Crore (100% of total outstanding) as on 31st 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 31st 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 31st March 2025 (Standalone)

(000s omitted)

Particulars	Year ended on 31.03.2025	Year ended on 31.03.2024
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) before Taxes	95271,26,85	81782,96,36
Adjustments for:		
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
Adjustments for:		
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)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	A	45859,86,52
CASH FLOW FROM INVESTING ACTIVITIES:		
(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)
NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES	B	(2012,25,10)
		(3052,91,78)

State Bank of India

Cash Flow Statement for the year ended on 31st March 2025 (Standalone)

(000s omitted)

Particulars	Year ended on 31.03.2025	Year ended on 31.03.2024
CASH FLOW FROM FINANCING ACTIVITIES:		
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)
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES	C (16326,61,81)	(13855,36,92)
EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE	D 1906,70,30	788,76,47
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)	29427,69,91	2902,37,00
CASH AND CASH EQUIVALENTS AS AT 1ST APRIL	310801,98,80	307899,61,80
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH	340229,68,71	310801,98,80
Notes:		
1. Components of Cash & Cash Equivalents as at:	31.03.2025	31.03.2024
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
	340229,68,71	310801,98,80
2. Cash flow from operating activities is reported by using indirect method.		
3. As the impact of the RBI Master Direction dated 12 th September, 2023 for the period prior to 1 st 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: 3rd 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
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CA Ramakant Gupta

Partner: M. No.073853
UDIN: 25073853BMLFKJ9856

For Varma & Varma

Chartered Accountants
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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 : 3rd 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 31st 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	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) Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances. Advances constitute 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. Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which identifies whether the advances are performing or non-performing. Further, NPA classification and calculation of provision (except in case of foreign offices) is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application Software and other processes. The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed. Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgement involved in valuation of securities 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. Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.	Our audit approach towards advances with reference to the IRAC norms and other related circulars/directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of controls on sample basis, - 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; - 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; - Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines/ Judicial pronouncements; - 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. - 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. - We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection. - In carrying out substantive procedures at the branches 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. - We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision; - Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication. - 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.

Independent Auditors' Report

Sr.	Key Audit Matters	How the matter was addressed in our audit
ii	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) Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security Receipts and other approved securities. 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. 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. Accordingly, our audit was focused on valuation of investments, classification, identification of non-performing investments and provisioning related to investments.	Our audit approach towards Investments with reference to the RBI Circulars/directives included the 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; - We understood and reviewed the methodology adopted by the Bank for classification of investments into various categories as per RBI guidelines; - 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; - We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments; - 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; - We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision; - 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; - We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.
iii	Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 18.14(j) of Schedule 18 to the financial statements): There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and 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. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.	Our audit approach involved: - Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances; - Understanding the current status of the litigations/tax assessments including the status up to the date of auditor's report; - Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon; - 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; - 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 - Verification of disclosures related to significant litigations and taxation matters.

Sr.	Key Audit Matters	How the matter was addressed in our audit
iv	Valuation of employees' defined benefit obligations: 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. 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.	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.

Other Matters

- 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 31st 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 31st March 2025 and 37.42% of revenue for the year ended 31st 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

- 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

- 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 17th 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 19th 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 31st 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 : 3rd 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
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CA P.M. Veeramani

Partner: M. No. 023933
UDIN: 25023933BMLHSJ2613

CA Ramakant Gupta

Partner: M. No.073853
UDIN: 25073853BMLFKJ9856

For Varma & Varma

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For Gopal Sharma & Co.

Chartered Accountants
Firm Regn. No.002803C

For B C Jain & Co.

Chartered Accountants
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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 : 3rd May 2025

Place : Mumbai

State Bank of India

Consolidated Balance Sheet As At 31st March 2025

(000s omitted)

	Schedule No.	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
CAPITAL AND LIABILITIES			
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
TOTAL		7314185,34,08	6733778,79,97
ASSETS			
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
TOTAL		7314185,34,08	6733778,79,97
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: 3rd May 2025

SCHEDULE 1 - CAPITAL

	(000s omitted)	
	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
Authorised Capital :		
5000,00,00,000 shares of ₹1 each (Previous Year 5000,00,00,000 shares of ₹1 each)	5000,00,00	5000,00,00
Issued Capital :		
892,54,05,164 Equity shares of ₹1 each (Previous Year 892,54,05,164 Equity shares of ₹1 each)	892,54,05	892,54,05
Subscribed and Paid up Capital :		
892,46,20,034 Equity shares of ₹1 each (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 (Previous Year 9,58,88,670 Equity shares of ₹1 each) represented by 79,78,747 (Previous Year 95,88,867) Global Depository Receipts]		
TOTAL	892,46,20	892,46,12

SCHEDULE 2 - RESERVES & SURPLUS

	(000s omitted)	
	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
I. Statutory Reserves		
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
II. Capital Reserves		
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
III. Share Premium		
Opening Balance	79115,47,68	79115,47,68
Additions during the year	12,80	-
Deductions during the year	- 79115,60,48	- 79115,47,68
IV. Investment Fluctuation Reserve		
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
V. Foreign Currency Translation Reserve		
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
VI. Revenue and Other Reserves *		
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 31st March 2025

(000s omitted)

	As at 31.03.2025 (Current Year) ₹		As at 31.03.2024 (Previous Year) ₹	
VII. Revaluation Reserve				
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
VIII. AFS Reserve				
Opening Balance	-		-	
Additions during the year	7586,97,89		-	
Deductions during the year	-	7586,97,89	-	-
IX. Capital Reserve on Consolidation				
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
X. Balance in Profit and Loss Account		108446,85,60		72019,17,93
TOTAL		486144,29,67		414046,71,03

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 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
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
Minority Interest on the date of balance sheet	18025,83,88	15617,96,24

SCHEDULE 3 - DEPOSITS

(000s omitted)

	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
A. I. Demand Deposits		
(i) From Banks	4327,57,21	5745,87,30
(ii) From Others	383920,22,99	303531,70,50
II. Savings Bank Deposits	1720688,78,27	1673652,24,52
III. Term Deposits		
(i) From Banks	14301,75,30	5107,34,24
(ii) From Others	3316659,68,14	2978500,32,16
TOTAL	5439898,01,91	4966537,48,72
B. (i) Deposits of Branches in India	5161629,67,48	4718596,72,73
(ii) Deposits of Branches outside India	278268,34,43	247940,75,99
TOTAL	5439898,01,91	4966537,48,72

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 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
I. Borrowings in India		
(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
TOTAL	236774,67,53	331335,30,63
II. Borrowings outside India		
(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
TOTAL	374082,56,97	308274,19,66
GRAND TOTAL	610857,24,50	639609,50,29
Secured Borrowings included in I & II above	86460,22,08	209699,57,92

Schedules

forming part of the Consolidated Balance Sheet as at 31st March 2025

SCHEDULE 5 - OTHER LIABILITIES & PROVISIONS

	(000s omitted)	
	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
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
TOTAL	758367,47,92	697074,67,57

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

	(000s omitted)	
	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
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
TOTAL	227485,15,69	225356,33,61

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

	(000s omitted)	
	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
I. In India		
(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
TOTAL	12915,42,23	37260,57,28
II. Outside India		
(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
TOTAL	117532,36,36	63955,39,46
GRAND TOTAL (I and II)	130447,78,59	101215,96,74

SCHEDULE 8 - INVESTMENTS

(000s omitted)

	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
I. Investments in India in:		
(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
TOTAL	2125471,57,24	2038456,05,70
II. Investments outside India in:		
(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
TOTAL	80129,53,59	72092,16,89
GRAND TOTAL (I and II)	2205601,10,83	2110548,22,59
III. Investments in India:		
(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)	2125471,57,24	2038456,05,70
IV. Investments outside India:		
(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)	80129,53,59	72092,16,89
GRAND TOTAL (III and IV)	2205601,10,83	2110548,22,59
# Investment in Associates (In India and Outside India)		
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	9322,58,48	9420,78,55
Add : Post-acquisition profit/(loss) and Reserve of Associates (Equity Method)	8522,29,00	8250,79,18
TOTAL	17844,87,48	17671,57,73

Schedules

forming part of the Consolidated Balance Sheet as at 31st March 2025

SCHEDULE 9 - ADVANCES

(000s omitted)		
	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
A. (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
TOTAL	4250830,73,64	3784272,67,05
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
TOTAL	4250830,73,64	3784272,67,05
C. (I) Advances in India		
(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
TOTAL	3582550,25,99	3200564,36,96
(II) Advances outside India		
(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
TOTAL	668280,47,65	583708,30,09
GRAND TOTAL [C-I & C-II]	4250830,73,64	3784272,67,05

SCHEDULE 10 - FIXED ASSETS

(000s omitted)

	As at 31.03.2025 (Current Year) ₹		As at 31.03.2024 (Previous Year) ₹	
I. Premises (including Revalued Premises)				
At cost/revalued as at 31 st 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
IA. Premises under construction	532,81,22		528,43,41	
II. Other Fixed Assets (including furniture and fixtures)				
At cost as at 31 st 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
IIA. Leased Assets				
At cost as at 31 st 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
TOTAL (I, IA, II and IIA)	46296,29,25		44665,72,50	
III. Capital-Work-in progress (including Leased Assets) net of Provisions	41,40,29		42,45,23	
TOTAL (I, IA, II, IIA and III)	46337,69,54		44708,17,73	

Schedules

forming part of the Consolidated Balance Sheet as at 31st March 2025

SCHEDULE 11 - OTHER ASSETS

	(000s omitted)	
	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
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
TOTAL	453482,85,79	467677,42,25

SCHEDULE 12 - CONTINGENT LIABILITIES

	(000s omitted)	
	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
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
TOTAL #	2678111,54,07	2397594,80,24

₹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 31st March 2025

(000s omitted)

	Schedule No.	As at 31.03.2025 (Current Year) ₹	As at 31.03.2024 (Previous Year) ₹
I. INCOME			
Interest earned	13	490937,78,51	439188,51,23
Other Income	14	172405,53,23	155386,39,22
TOTAL		663343,31,74	594574,90,45
II. EXPENDITURE			
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
TOTAL		584326,16,30	526436,64,36
III. PROFIT			
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
TOTAL		149580,51,64	109007,96,89
IV. APPROPRIATIONS			
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
TOTAL		149580,51,64	109007,96,89
V. EARNINGS PER EQUITY SHARE (Face value ₹1 per share)			
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: 3rd May 2025

Schedules

forming part of the Consolidated Profit and Loss Account for the year ended 31st March 2025

SCHEDULE 13 - INTEREST EARNED

(000s omitted)

	Year ended 31.03.2025 (Current Year) ₹	Year ended 31.03.2024 (Previous Year) ₹
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
TOTAL	490937,78,51	439188,51,23

SCHEDULE 14 - OTHER INCOME

(000s omitted)

	Year ended 31.03.2025 (Current Year) ₹	Year ended 31.03.2024 (Previous Year) ₹
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
TOTAL	172405,53,23	155386,39,22

SCHEDULE 15 - INTEREST EXPENDED

(000s omitted)

	Year ended 31.03.2025 (Current Year) ₹	Year ended 31.03.2024 (Previous Year) ₹
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
TOTAL	300943,33,53	259736,04,81

SCHEDULE 16 - OPERATING EXPENSES

(000s omitted)

	Year ended 31.03.2025 (Current Year) ₹	Year ended 31.03.2024 (Previous Year) ₹
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
TOTAL	236573,51,86	235893,83,88

Payment to and provisions for employees includes exceptional items for provision Nil for Current year (Previous year ₹7100,00,00 thousand)

Schedules

forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31st 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:
- 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.
 - 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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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. 1st 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:

- short-term resale;
- profiting from short-term price movements;
- locking in arbitrage profits; or
- 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,

- "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;
- "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.);
- "Level 3" - wherein valuation is based on unobservable inputs.

i. Recognition of Day 1 Gain/Loss:

- 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'.
- Any Day 1 loss arising from Level 3 investments is recognised immediately.
- 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.

- 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.
- Brokerage, Commission, Securities Transaction Tax (STT) 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.

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:

Substandard Assets:	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%	
Doubtful Assets	Secured portion	i.	Up to one year	25%
		ii.	One to three years	40%
		iii.	More than three years	100%
	Unsecured portion			100%
	Loss Assets:			100%

- 3.4 In respect of foreign offices / entities, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- 3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.
- 3.6 For restructured/ rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the 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 1st 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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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/upto 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 CDMDT 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 1st April 2024, the status of Jio Payments Bank Ltd. has changed from 'Associate' to 'Joint Venture' of SBI. Further, during the year ended 31st 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: -
- SBI Cards and Payment Services Limited has allotted 3,88,435 equity shares of ₹10 each during the year ended 31st 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 31st 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 31st 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 31st 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 10th 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 25th December 2024. Consequently, the stake of SBI in PT Bank SBI Indonesia has reduced from 99.56% to 99.00%.
 - d) On 9th 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 8th August 2024 in Consolidated Financial Statements of SBI.
 - e) During the year ended 31st 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 7th February 2024 in Gift City – Gandhinagar. During the quarter ended 30th 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 8th July 2024.
 - g) The name of 'SBICAP Ventures Limited' a wholly owned subsidiary of SBI, has changed to 'SBI Ventures Limited' w.e.f. 24th 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. 26th 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 1st 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 5th 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 1st May 2025. The Bank's investments in RRBs sponsored by the Bank, are included in its financial statements as at 31st 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 20th 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 20th 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 12th September 2023, applicable from 1st April 2024 as stated below:

a. Policies on classification and valuation of investments:

With effect from 1st 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 12th 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 1st 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 31st March 2025 are not comparable to figures reported for quarter and year ended 31st March 2024.

- ii. As per RBI Circular no. RBI/DOR/2024-25/135 DOR.STR.REC.72/ 21.04.048/2024-25 dated 29th 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
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation as at 1 st April	1,90,944.96	1,56,966.26	13,269.85	12,759.77
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)	-	-
Closing defined benefit obligation as at 31st March	2,04,470.79	1,90,944.96	13,898.61	13,269.85

(₹ in Crore)

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Change in Plan Assets				
Opening fair value of plan assets as at 1 st 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
Closing fair value of plan assets as at 31st March	1,67,431.25	1,51,643.97	13,047.08	12,557.09
Reconciliation of present value of the obligation and fair value of the plan assets				
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	-	-	-	-
Net Liability/(Asset)	37,039.54	39,300.99	851.53	712.76
Amount Recognised in the Balance Sheet				
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	-	-	-	-
Net Liability/ (Asset)	37,039.54	39,300.99	851.53	712.76
Net Cost recognised in the profit and loss account				
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
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	13,041.17	29,792.63	906.54	758.41
Reconciliation of expected return and actual return on Plan Assets				
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
Actual Return on Plan Assets	13,755.12	16,026.33	1,117.69	1,310.69
Reconciliation of opening and closing net liability/(asset) recognised in Balance Sheet				
Opening Net Liability/(Asset) as at 1 st 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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(₹ 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)
Net liability/(Asset) recognised in Balance Sheet	37,039.54	39,300.99	851.53	712.76

Investments under Plan Assets of Gratuity Fund & Pension Fund as on 31st 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%
Total	100.00%	100.00%

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
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation as at 1 st April	42,883.83	39,138.17
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 st March	47,312.02	42,883.83
Change in Plan Assets		
Opening fair value of Plan Assets as at 1 st 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 st March	47,645.23	43,685.13
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at the year end	47,312.02	42,883.83
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	(333.21)	801.30
Net Cost recognised in the profit and loss account		
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	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	2,204.78	2,155.15
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1 st April	-	-
Expense as above	2,204.78	2,155.15
Employer's Contribution	(2,204.78)	(2,155.15)
Net Liability/(Asset) Recognised in the Balance Sheet	-	-

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Investments under Plan Assets of Provident Fund as on 31st 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%
Total	100.00%

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 31st day of March); or
 - (b) three percent per annum, subject to approval of Executive Committee.
- ii) The rules of the SBI Life Insurance Company Ltd.'s Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company.

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 1st 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
Total		76.42	69.18

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	(₹ in Crore)	
	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation as at 1 st April	13,554.79	11,078.32
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 st March	15,908.22	13,554.79
Net Cost recognised in the profit and loss account		
Current Service Cost	464.43	365.78
Interest Cost	976.69	828.31
Actuarial (Gain)/ Losses	2,108.56	2,378.98
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	3,549.68	3,573.07
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1 st April	13,554.79	11,078.32
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)
Net Liability/(Asset) recognised in the Balance Sheet	15,908.22	13,554.79

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 7th 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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2.3.2 SEGMENT INFORMATION

PART A: PRIMARY (BUSINESS) SEGMENTS:

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking		Total	Insurance Business	Other Banking Operations	TOTAL
			Digital Banking	Other Retail 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)
Other Information:								
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 31st 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 31st 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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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 28th August 2024)
2. Shri Dinesh Kumar Khara, Chairman (up to 27th August 2024)
3. Shri Challa Sreenivasulu Setty, Managing Director (International Banking, Global Markets & Technology, upto 27th August 2024)
4. Shri Ashwini Kumar Tewari, Managing Director (Corporate Banking & Subsidiaries)
5. Shri Alok Kumar Choudhary, Managing Director (Risk, Compliance & SARG) (upto 30th June 2024)
6. Shri Vinay M. Tonse, Managing Director (Retail Business & Operations)
7. Shri Rana Ashutosh Kumar Singh, Managing Director (Risk, Compliance & SARG) (from 7th August 2024)
8. Shri Rama Mohan Rao Amara, Managing Director (International Banking, Global Markets & Technology) (from 18th 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/ Joint Ventures	Key Management Personnel & their relatives	Total	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Outstanding as at	31st March 2025			31st March 2024		
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
Maximum outstanding	During FY 2024-25			During FY 2023-24		
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/ Joint Ventures	Key Management Personnel & their relatives	Total	Associates/ Joint Ventures	Key Management Personnel & 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 31 st March 2025	As at 31 st March 2024
Total Minimum lease payments outstanding		
Less than 1 year	33.78	75.86
1 to 5 years	55.63	210.69
5 years and above	92.05	93.71
Total	181.46	380.26
Interest Cost payable		
Less than 1 year	1.81	21.35
1 to 5 years	2.00	27.76
5 years and above	29.76	2.75
Total	33.57	51.86
Present value of minimum lease payments payable		
Less than 1 year	31.97	54.51
1 to 5 years	53.63	182.93
5 years and above	62.29	90.96
Total	147.89	328.40

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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 31 st March 2025	As at 31 st 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
Total	889.92	567.30

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
Basic and diluted		
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 31 st March 2025	As at 31 st March 2024
Deferred Tax Assets (DTA)		
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
Total	25,098.03	25,270.91

(₹ in Crore)

Particulars	As at 31 st March 2025	As at 31 st March 2024
Deferred Tax Liabilities (DTL)		
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
Total	15,511.32	13,153.42
Net Deferred Tax Assets/(Liabilities)	9,586.71	12,117.49

- 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 31 st March 2025	As at 31 st 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)
	Total	46,809.31	30,806.75

(Figures in brackets indicate credit)

➤ Floating provisions:

(₹ in Crore)

Sr No.	Particulars	Current Year	Previous Year
a	Opening Balance	193.75	193.75
b	Addition during the year	-	-
c	Draw down during the year	-	-
d	Closing balance	193.75	193.75

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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, 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	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	Closing balance	2,537.32	2,620.39

- 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 31st March 2024, based on the conditions mentioned in RBI circular No. DOR.ACC. REC.No.74/21.04.018/2022-23 dated 11th October 2022.

5. Exceptional Items

During the year ended 31st 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 31st 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 31st March 2025.
 8. The Central Board of SBI has declared a dividend of ₹15.90 per share @ 1590% for the year ended 31st 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 31st March 2025

(000s omitted)

PARTICULARS	Year ended 31.03.2025 ₹	Year ended 31.03.2024 ₹
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before taxes (including share in profit from associates and net of minority interest)	104909,47,68	90186,44,73
Adjustments for :		
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
	133615,02,13	105123,76,30
Adjustments for :		
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)	(33761,44,51)	(31268,26,82)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	(A) 48486,29,46	21632,43,10
CASH FLOW FROM INVESTING ACTIVITIES		
(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)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	(B) (5634,74,22)	(4251,71,53)

(000s omitted)

PARTICULARS	Year ended 31.03.2025 ₹	Year ended 31.03.2024 ₹
CASH FLOW FROM FINANCING ACTIVITIES		
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
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	(13739,08,00)	(9896,28,00)
EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE (D)	2248,16,69	775,95,81
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	31360,63,93	8260,39,38
CASH AND CASH EQUIVALENTS AS AT 1ST APRIL	326572,30,35	318311,90,97
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH	357932,94,28	326572,30,35
Notes:		
1. Components of Cash & Cash Equivalents as at:	31.03.2025	31.03.2024
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
Total	357932,94,28	326572,30,35
2. Cash Flow from operating activities is reported by using indirect method.		
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.		

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: 3rd 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
Key Audit matters reported in standalone financial statements of the Bank:		
i	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) Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances. Advances constitute 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. Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which identifies whether the advances are performing or non-performing. Further, NPA classification and calculation of provision (except in case of foreign offices) is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application Software and other processes. The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed. Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgement involved in valuation of securities 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. Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances	Our audit approach towards advances with reference to the IRAC norms and other related circulars/directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of controls on sample basis, - 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; - 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; - Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines/ Judicial pronouncements; - 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. - 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. - We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection. - In carrying out substantive procedures at the branches 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. - We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision; - Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication. - 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.

Independent Auditors' Report

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
ii	Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements) Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities. Investments constitute 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. 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. Accordingly, our audit was focused on valuation of investments, classification, identification of non-performing investments and provisioning related to investments	Our audit approach towards Investments with reference to the RBI Circulars/directives included the 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; - We understood and reviewed the methodology adopted by the Bank for classification of investments into various categories as per RBI guidelines; - 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; - We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments; - 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; - We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision; - 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; - We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.
iii	Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 18.13 of Schedule 18 to the financial statements): There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and 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. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.	Our audit approach involved: - Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances; - Understanding the current status of the litigations/tax assessments including the status up to the date of auditor's report; - Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon; - 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; - 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 - Verification of disclosures related to significant litigations and taxation matters.

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
iv	Valuation of employees' defined benefit obligations: 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. 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.	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.
Key Audit Matters as reported by auditors of SBI Life Insurance Company Limited:		
v	Information Technology systems and controls (IT Controls): 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. 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.	Principal Audit Procedures - 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 - We have reviewed the design and operating effectiveness of key automated controls. - 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. - We have also obtained management representations wherever considered necessary

Independent Auditors' Report

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
vi	Valuation of Investments: The company's investment portfolio consists of Policyholders' investments (traditional and unit linked policy holders) and Shareholders investment. Total investment portfolio of the company (i.e. Asset under management (AUM)) represents 99.40 per cent of the Company's total assets. Investments are made and valued in accordance with Insurance Act, 1938, IRDAI AFI Regulations, Investment Policy of the Company and relevant Indian GAAPs. 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. 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. 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. 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.	Principal Audit Procedures Our audit procedures for this area included but were not limited to the following: • 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. • 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; • 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; • 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; • Examined movement and appropriateness of accounting in Fair Value Change account for specific investments. • 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. • Obtained written representations from management on compliance of valuation of investments with the regulations and adequacy of impairment recorded for the year.
vii	Contingent Liabilities and Litigations: 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. 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.	Principal Audit Procedures: - • 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. • 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. • 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.

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
Key Audit Matters as reported by auditors of SBI Capital Markets Limited:		
viii	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: 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. 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.	Principal Audit Procedures We understood and tested the design and operating effectiveness of the company's control over the assessment of valuation of investments. - We evaluated the independence, competence, capabilities and objectivity of Management's expert (Independent professional valuer). - 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. - We validated the source data on sample basis and tested the arithmetical accuracy of the calculation of valuation of investments. - We assessed the adequacy of the disclosures in the standalone financial statements. 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.
ix	Evaluation of uncertain tax positions: The company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.	Principal Audit Procedures: We evaluated the Company's processes and controls for monitoring the tax disputes. 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.

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

CA Sumit Kumar
Partner
Membership No. 512555
UDIN: 25512555BMNPTN9455

Date: 3rd May 2025
Place: Mumbai

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 & 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 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. 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. 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.	- 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. - 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%.
2	SBI General Insurance Co. Ltd.	- As per regulations, the only way to transfer capital to parent Bank is to pay dividends in accordance with Section 49 of Insurance Act, 1938. - 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%.
3	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.
4	SBI Funds Mgmt. Ltd.	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.
5	SBI Mutual Fund Trustee Co. Ltd.	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.
6	SBI CDMDF Trustee Pvt. Ltd.	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.

7	SBI Capital Markets Ltd.	- Transfer of capital from SBICAP to the parent SBI, would be subject to the below: - 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. - 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. - SBICAP has an internal Risk policy of maintaining a minimum CAR of 15.00%. - All of the above would be subject to the approval of the Board of SBICAP.
8	SBI Ventures Ltd (SVL)	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.
9	SBI Factors Ltd.	- 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. - A Company cannot hold NBFC-Factors license unless it maintains and continues to maintain, an amount paid as Net Owned Funds. - 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. - Every Company registered as NBFC- Factors shall maintain minimum Net Owned Fund (NOF) of ₹5 Crores as required by Factoring Regulations Act, 2011. - Companies Act also stipulates some conditions for transfer of capital by way of buy-back of shares or distribution as dividends. - There are no specific restrictions on transfer of funds or regulatory capital in Articles of Association of the Company. - 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.
10	SBI-SG Global Securities Services Ltd.	- 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. - 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.

11 SBI DFHI Ltd.	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: • Any change in the shareholding pattern / capital structure of SPD shall need prior approval of RBI. • SPDs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio (CRAR) of 15 per cent on an ongoing basis. 1) SPDs shall follow the following guidelines while declaring dividend distribution: i. SPDs that meet the following minimum prudential requirements shall be eligible to declare dividend: 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. 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. c) SPDs shall comply with the provisions of Section 45 IC of the Reserve Bank of India Act, 1934. 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. • 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. • 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.
12 SBI Pension Funds Pvt. Ltd.	• 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. • 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. • 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. • 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. • The Capital can be paid to the parent with the Board and Shareholders approval and fulfilling the PFRDA regulations & the provisions of the Companies Act, 2013.
13 SBI Payment Services Pvt. Ltd.	• There are no restrictions or impediments on transfer of funds or Regulatory capital as per JV agreement. • Transfer of funds is subject to approval from SBI Payments Board and JV partners
14 State Bank Operations Support Services Pvt. Ltd.	• SBOSS can transfer capital to Holding Bank by way of dividends or buy back of shares. • Further, in terms of Companies Act, 2013 wherever approval of Board / Shareholders is required, the company will comply the same.

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"> • 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 | <ul style="list-style-type: none"> • 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	₹3,84,013.43 Crore
• Securitisation exposures	Nil
Total	₹3,84,013.43 Crore

(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
Total	₹44,252.91 Crore

(d) Capital requirements for operational risk:

• Basic Indicator Approach	₹44,948.17 Crore
• The Standardised Approach (if applicable)	NA
Total	₹44,948.17 Crore

(e) Common Equity Tier 1, Tier 1 and Total Capital Ratios:

- For the top consolidated group; and
- For significant bank subsidiaries (stand alone or sub-consolidated depending on how the Framework is applied)

CAPITAL ADEQUACY RATIOS AS ON 31.03.2025

	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 31st March 2006, a non-performing Asset (NPA) is an advance where

- Interest and/or instalment of principal remain 'overdue' for a period of more than 90 days in respect of a Term Loan.
- The account remains 'out of order' for a period of more than 90 days, in respect of an Overdraft/Cash Credit (OD/CC).
- The bill remains 'overdue' for a period of more than 90 days in the case of bills purchased and discounted.
- Any amount to be received remains 'overdue' for a period of more than 90 days in respect of other accounts.
- A loan granted for short duration crops is treated as NPA, if the instalment of principal or interest thereon remains overdue for two crop seasons and a loan granted for long duration crops is treated as NPA, if instalment of principal or interest thereon remains overdue for one crop season.
- An account would be classified as NPA only if the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter.
- The amount of a liquidity facility remains outstanding for more than 90 days, in respect of 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 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
Total		42,30,706.78	78,629.22	43,09,336.00	518351.82

Table- B DF-3 (e) SBI (CONSOLIDATED) Residual contractual maturity breakdown of assets as on 31.03.2025*

INFLOWS	(₹ In Crores)											TOTAL
	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	
1 Cash	18496.76	7.74	0.00	0.00	0.01	0.00	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	60593.87	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	193.25	137799.12
4 Investments	20386.58	3410.70	600.02	8051.77	11090.64	16346.82	33912.82	133389.77	268362.31	347624.59	903424.30	1746600.32
5 Advances	61711.74	29024.38	25802.42	81640.54	111734.98	68408.69	220461.78	301006.88	1636391.29	519522.40	1219145.47	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	45097.42	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	443788.38
TOTAL	218132.58	64082.60	43159.24	105756.42	135362.55	99681.25	291636.92	549327.38	2106999.22	943672.74	2318050.73	6875861.66

*Notes:

- i) Insurance entities, Non-financial entities, JVs, Special Purpose Vehicles & Intra-group Adjustments are excluded.
- ii) Investments include Non-Performing Investments and Advances includes Non-Performing Advances.
- iii) The Bucketing structure has been revised based on the RBI guidelines dated March 23, 2016.

DF-4: CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

As on 31.03.2025

Disclosures for Portfolios subject to Standardised Approach

Qualitative Disclosures

- Names of Credit Rating Agencies used, plus reasons for any changes

- As per RBI Guidelines, the Bank has identified CARE, CRISIL, ICRA, India Rating, ,Brickwork*,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

- For Exposures with a contractual maturity of less than or equal to one year (except Cash Credit, Overdraft and other Revolving Credits), Short-term Ratings given by approved Rating Agencies are used.
- For Cash Credit, Overdraft and other Revolving Credits (irrespective of the period) and for Term Loan exposures of over 1-year, Long Term Ratings are used.

- Description of the process used to transfer Public Issue Ratings onto comparable assets in the Banking Book

The key aspects of the Bank's external ratings application framework are as follows:

- All long term and short-term ratings assigned by the credit rating agencies specifically to the Bank's long term and short-term exposures respectively are considered by the Bank as issue specific ratings.
- Foreign sovereign and foreign bank exposures are risk-weighted based on issuer ratings assigned to them.
- The Bank ensures that the external rating of the facility/borrower has been reviewed at least once by the ECAI during the previous 15 months and is in force on the date of its application.
- Where multiple issuer ratings are assigned to an entity by various credit rating agencies, 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.

- 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
- 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:
 - In respect of fresh rating mandates, rating may be obtained from the CRA for bank loans not exceeding ₹250 Crore.
 - 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
Total	48,27,687.82

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:

- Classification of credit risk-mitigants
- Acceptable credit risk-mitigants
- Documentation and legal process requirements for credit risk-mitigants
- 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

(a) The general qualitative disclosure requirement with respect to securitisation including a discussion of:	
The bank's objectives in relation to securitisation activity, including the extent to which these activities transfer credit risk of the underlying securitised exposures away from the bank to other entities.	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; @ A bank may have provided support to a securitisation structure in the form of an interest rate swap or currency swap to mitigate the interest rate/currency risk of the underlying assets, if permitted as per regulatory rules. # A bank may provide credit protection to a securitisation transaction through guarantees, credit derivatives or any other similar product, if permitted as per regulatory rules.	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) 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
(c) In the banking book, the names of ECAIs used for securitisations and the types of securitisation exposure for which each agency is used.	Not Applicable

Quantitative Disclosures: Banking Book

(d) The total amount of exposures securitised by the bank.	Nil
(e) For exposures securitised losses recognised by the bank during the current period broken by the exposure type (e.g. Credit cards, housing loans, auto loans etc. detailed by underlying security)	Nil
(f) Amount of assets intended to be securitised within a year	Nil
(g) Of (f), amount of assets originated within a year before securitisation.	Not Applicable
(h) The total amount of exposures securitised (by exposure type) and unrecognised gain or losses on sale by exposure type.	Nil
(i) Aggregate amount of:	
On-balance sheet securitisation exposures retained or purchased broken down by exposure type and	₹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
Total	9,571.85	Nil	9,571.85

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
Total capital charge	172.49	-	-	172.49

(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
Total		44252.91

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 31st March 2025.
- RBI has issued Master Guidelines on 26th 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 1st 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 31st 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 31st 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
Total	2840644.10	15493.55	80519.56
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. (with respect to 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 + B8 + 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 companies)	0	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	3596.32	
6	Common Equity Tier 1 capital before regulatory adjustments	440707.41	
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	

(₹ 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)
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	Total regulatory adjustments to Common equity Tier 1	7654.89	
29	Common Equity Tier 1 capital (CET1)	433052.52	
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	Additional Tier 1 capital before regulatory adjustments	49382.31	
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	

(₹ 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)
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	0
43	Total regulatory adjustments to Additional Tier 1 capital	1116.67
44	Additional Tier 1 capital (AT1)	48265.64
45	Tier 1 capital (T1 = CET1 + AT1) (29 + 44)	481318.16
Tier 2 capital: instruments and provisions		
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	Tier 2 capital before regulatory adjustments	83653.58
Tier 2 capital: regulatory adjustments		
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	Total regulatory adjustments to Tier 2 capital	327.48
58	Tier 2 capital (T2)	83326.1
59	Total capital (TC = T1 + T2) (45 + 58)	564644.26
60	Total risk weighted assets (60a + 60b + 60c)	3910863.67
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
Capital ratios and buffers		
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

(₹ 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)
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00	
71	National total capital minimum ratio (if different from Basel III minimum)	9.00	
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial entities		
73	Significant investments in the common stock of financial entities	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	
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)	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	
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	
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	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		Balance sheet as in	Balance sheet under
Step 1		financial statements	regulatory scope of
		As on reporting date	As on reporting date
A	Capital & Liabilities		
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
	Total Capital	5,05,062.60	4,77,178.02
ii	Deposits	54,39,898.02	54,40,931.36
	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	Borrowings	6,10,857.24	6,13,172.25
	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	Other liabilities & provisions	7,58,367.48	3,01,003.65
	Total	73,14,185.34	68,32,285.28
B	Assets		
i	Cash and balances with Reserve Bank of India	2,27,485.16	2,27,387.84
	Balance with banks and money at call and short notice	1,30,447.78	1,29,349.80
ii	Investments	22,05,601.11	17,35,524.82
	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	Loans and advances	42,50,830.74	42,50,348.93
	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	Fixed assets	46,337.69	45,342.85
v	Other assets	4,52,063.18	4,42,928.67
	of which: Goodwill	-	-
	of which: Other intangibles (excluding MSRs)	-	-
	of which: Deferred tax assets	10,042.15	10,023.24
vi	Goodwill on consolidation	1,419.68	1,402.37
vii	Debit balance in Profit & Loss account	-	-
	Total Assets	73,14,185.34	68,32,285.28

COMPOSITION OF CAPITAL - RECONCILIATION REQUIREMENT Step 2

(₹ in Crore)

	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference number
	As on reporting date	As on reporting date	
A Capital & Liabilities			
i Paid-up Capital	892.46	892.46	A
of which: Amount eligible for CET 1	892.46	892.46	A1
of which: Amount eligible for AT1	-	-	A2
Reserves & Surplus	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	
Total Capital	5,05,062.60	4,77,178.02	
ii Deposits	54,39,898.02	54,40,931.36	
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 Borrowings	6,10,857.24	6,13,172.25	
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 Other liabilities & provisions	7,58,367.48	3,01,003.65	
of which: DTLs related to goodwill			
of which: DTLs related to intangible assets			
Total	73,14,185.34	68,32,285.28	

(₹ in Crore)			
	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference number
	As on reporting date	As on reporting date	
B Assets			
i Cash and balances with Reserve Bank of India	2,27,485.16	2,27,387.84	
Balance with banks and money at call and short notice	1,30,447.78	1,29,349.80	
ii Investments	22,05,601.11	17,35,524.82	
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 Loans and advances	42,50,830.74	42,50,348.93	
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 Fixed assets	46,337.69	45,342.85	
v Other assets	4,52,063.18	4,42,928.67	
of which: Goodwill	-	-	
of which: Other intangibles (excluding MSRs)	-	-	
of which: Deferred tax assets	10,042.15	10,023.24	C
vi Goodwill on consolidation	1,419.68	1,402.37	D
vii Debit balance in Profit & Loss account	-	-	
Total Assets	73,14,185.34	68,32,285.28	

Common Equity Tier 1 capital (CET1): instruments and reserves Step 3

(₹ in Crore)			
	Component of regulatory capital reported by bank	Ref No. (With respect to DF - 12: Step 2)	
1 Directly issued qualifying common share (and equivalent for non - joint stock companies) capital plus related stock surplus	80008.06	A1 + B3	
2 Retained earnings	331777.66	B1 + B2 + B7 + B8 + 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 companies)	0.00		
5 Common share capital issued by subsidiaries and held by third parties (amount allowed 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

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:

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)¹³ ₹163.30 Crores (Unrealised loss)

5 Total latent revaluation gains (losses)¹⁴ -

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

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 31.03.2025

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)
On balance sheet exposures	
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 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	6,80,86,104.69
Derivatives exposures	
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 Total derivative exposures (sum of lines 4 to 10)	6,81,986.53
Securities financing transaction exposure	
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 Total securities financing transaction exposures (sum of lines 12 to 15)	907.18
Other off balance sheet exposures	
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 Off-balance sheet items (sum of lines 17 and 18)	64,35,219.79
Capital and total exposures	
20 Tier 1 capital	48,13,181.60
21 Total exposures (sum of lines 3,11,16 and 19)	7,52,04,218.19
Leverage ratio	
22 Basel III leverage ratio (%) (State Bank Group)	6.40%

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:

BANKING - OVERSEAS	NON - BANKING
SBI Canada Bank	SBI Capital Markets Ltd.
State Bank of India (California)	SBI Cards & Payment Services Ltd.
SBI (Mauritius) Ltd.	SBI DFHI Ltd.
PT Bank SBI Indonesia	SBI Funds Management Ltd.
Commercial Indo Bank LLC, Moscow	SBI General Insurance Company Ltd.
Nepal SBI Bank Ltd.	SBI 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

Balance Sheet as at 31st March 2024

(000s omitted)

	Schedule No.	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
CAPITAL AND LIABILITIES			
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
TOTAL		6179693,94,50	5516978,52,65
ASSETS			
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
TOTAL		6179693,94,50	5516978,52,65
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: 9th 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: 9th May 2024

Schedules

forming part of the Balance Sheet as at 31st March 2024

SCHEDULE 1 - CAPITAL

(000s omitted)

	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
Authorised Capital:		
5000,00,00,000 Shares of ₹1 each (Previous Year 5000,00,00,000 Shares of ₹1 each)	5000,00,00	5000,00,00
Issued Capital:		
892,54,05,164 Equity Shares of ₹1 each (Previous Year 892,54,05,164 Equity Shares of ₹1 each)	892,54,05	892,54,05
Subscribed and Paid up Capital:		
892,46,11,934 Equity Shares of ₹1 each (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 (Previous Year 8,91,60,950 Equity Shares of ₹1 each) represented by 95,88,867 (Previous Year 89,16,095) Global Depository Receipts]		
TOTAL	892,46,12	892,46,12

SCHEDULE 2 - RESERVES & SURPLUS

(000s omitted)

	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
I. Statutory Reserves		
Opening Balance	100637,75,69	85568,02,08
Additions during the year	18322,98,60	15069,73,61
Deductions during the year	-	-
	118960,74,29	100637,75,69
II. Capital Reserves		
Opening Balance	15992,79,07	15759,98,23
Additions during the year	326,21,04	232,80,84
Deductions during the year	-	-
	16319,00,11	15992,79,07
III. Share Premium		
Opening Balance	79115,47,68	79115,47,05
Additions during the year	-	63
Deductions during the year	-	-
	79115,47,68	79115,47,68
IV. Investment Fluctuation Reserve		
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

(000s omitted)

	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
V. Foreign Currency Translation Reserve		
Opening Balance	12755,17,91	9960,78,78
Additions during the year	788,76,47	2794,39,13
Deductions during the year	-	-
	13543,94,38	12755,17,91
VI. Revenue and Other Reserves*		
Opening Balance	54088,42,53	51836,11,81
Additions during the year	5120,62,38	2252,30,72
Deductions during the year	-	-
	59209,04,91	54088,42,53
VII. Revaluation Reserve		
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
VIII. Balance of Profit and Loss Account	50127,91,06	24098,71,82
TOTAL	376354,07,25	326715,98,77

* 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 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
A. I. Demand Deposits		
(i) From Banks	5960,27,24	3449,99,90
(ii) From Others	293617,61,43	295593,04,38
II. Savings Bank Deposits	1661843,63,48	1588405,52,42
III. Term Deposits		
(i) From Banks	5197,59,09	6994,90,95
(ii) From Others	2949457,65,69	2529334,29,98
TOTAL	4916076,76,93	4423777,77,63
B. (i) Deposits of Branches in India	4724335,65,10	4253570,79,60
(ii) Deposits of Branches outside India	191741,11,83	170206,98,03
TOTAL	4916076,76,93	4423777,77,63

Schedules

forming part of the Balance Sheet as at 31st March 2024

SCHEDULE 4 - BORROWINGS

	(000s omitted)	
	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
I. Borrowings in India		
(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
	93800,40,00	89132,60,00
TOTAL	288734,81,02	222328,70,40
II. Borrowings outside India		
(i) Borrowings and Refinance outside India	308826,09,76	270806,45,22
(ii) Capital Instruments: Innovative Perpetual Debt Instruments (IPDI)	-	-
TOTAL	308826,09,76	270806,45,22
GRAND TOTAL	597560,90,78	493135,15,62
Secured Borrowings included in I & II above	181331,85,62	129118,98,56

SCHEDULE 5 - OTHER LIABILITIES & PROVISIONS

	(000s omitted)	
	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
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
TOTAL	288809,73,42	272457,14,51

* 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

	(000s omitted)	
	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
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	-	-
TOTAL	225141,69,61	247087,57,52

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(000s omitted)

	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
I. In India		
(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	-
TOTAL	29816,70,25	7770,44,34
II. Outside India		
(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
TOTAL	55843,58,94	53041,59,94
GRAND TOTAL (I and II)	85660,29,19	60812,04,28

SCHEDULE 8 - INVESTMENTS

(000s omitted)

	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
I. Investments in India in:		
(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
TOTAL	1605083,60,41	1508936,09,15
II. Investments outside India in:		
(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
TOTAL	66256,05,20	61430,13,42
GRAND TOTAL (I and II)	1671339,65,61	1570366,22,57
III. Investments in India:		
(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)	1605083,60,41	1508936,09,15
IV. Investments outside India:		
(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)	66256,05,20	61430,13,42
GRAND TOTAL (III and IV)	1671339,65,61	1570366,22,57

Schedules

forming part of the Balance Sheet as at 31st March 2024

SCHEDULE 9 - ADVANCES

(000s omitted)		
	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
A. (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
TOTAL	3703970,85,40	3199269,29,68
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
TOTAL	3703970,85,40	3199269,29,68
C. (I) Advances in India		
(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
TOTAL	3165997,94,14	2708472,62,71
(II) Advances outside India		
(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
TOTAL	537972,91,26	490796,66,97
GRAND TOTAL [C (I) and C (II)]	3703970,85,40	3199269,29,68

SCHEDULE 10 - FIXED ASSETS

(000s omitted)		
	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
I. Premises (including Revalued Premises)		
At cost/revalued as at 31 st 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
	32370,02,21	32634,45,33

(000s omitted)

	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
II. Other Fixed Assets (including furniture and fixtures)		
At cost as at 31 st 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
	9756,34,70	9466,27,77
III. Assets under Construction (Including Premises)	490,88,34	281,07,21
TOTAL (I, II, and III)	42617,25,25	42381,80,31

SCHEDULE 11 - OTHER ASSETS

(000s omitted)

	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
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
TOTAL	450964,19,44	397061,58,29

* 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 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
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
TOTAL	2389320,82,36	1826574,12,43

* Includes Derivatives ₹457300,22,95 thousand (Previous Year ₹261587,05,11 thousand)

State Bank of India

Profit and Loss Account for the year ended 31st March 2024

(000s omitted)			
	Schedule No.	Year ended 31.03.2024 (Current Year) ₹	Year ended 31.03.2023 (Previous Year) ₹
I. INCOME			
Interest earned	13	415130,65,55	332103,06,02
Other Income	14	51682,16,37	36615,59,76
TOTAL		466812,81,92	368718,65,78
II. EXPENDITURE			
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
TOTAL		405736,19,90	318486,20,42
III. PROFIT			
Net Profit for the year		61076,62,02	50232,45,36
Add: Profit brought forward		24098,71,82	5881,40,49
TOTAL		85175,33,84	56113,85,85
IV. APPROPRIATIONS			
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
TOTAL		85175,33,84	56113,85,85
V. EARNINGS PER EQUITY SHARE (Face value ₹ 1 per share)			
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: 9th 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: 9th May 2024

Schedules

forming part of the Profit and Loss Account for the year ended 31st March 2024

SCHEDULE 13 - INTEREST EARNED

(000s omitted)

	Year ended 31.03.2024 (Current Year) ₹	Year ended 31.03.2023 (Previous Year) ₹
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
TOTAL	415130,65,55	332103,06,02

SCHEDULE 14 - OTHER INCOME

(000s omitted)

	Year ended 31.03.2024 (Current Year) ₹	Year ended 31.03.2023 (Previous Year) ₹
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
TOTAL	51682,16,37	36615,59,76

* 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 31.03.2024 (Current Year) ₹	Year ended 31.03.2023 (Previous Year) ₹
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
TOTAL	255254,82,88	187262,55,56

SCHEDULE 16 - OPERATING EXPENSES

(000s omitted)

	Year ended 31.03.2024 (Current Year) ₹	Year ended 31.03.2023 (Previous Year) ₹
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
TOTAL	124860,81,35	97743,13,61

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 31st 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:
- 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.
 - 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:

- 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 categorised as "Held for Trading (HFT)".

- Investments, which are not classified in 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 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:

- 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).
 - 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.
 - 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:

- 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.
- 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.
- Investments in Regional Rural Banks are valued at carrying cost (i.e., book value).

Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st 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.
 - 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:

Sub-standard Assets:	i.	A general provision of 15% on the total outstanding;
	ii.	Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio);
	iii.	Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available - 20%.
Doubtful Assets:		
- Secured portion:	i.	Upto one year – 25%
	ii.	One to three years – 40%
	iii.	More than three years – 100%
- Unsecured portion		100%
Loss Assets:		100%

3 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.

- 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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- 3.6 For restructured/ rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans/ advances before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.
- 3.7 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.
- 3.8 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.
- 3.9 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.
- 3.10 The Bank also makes additional provisions on specific non-performing assets.
- 3.11 Appropriation of recoveries in NPAs are made in order of priority as under:
 - a. Charges, Costs, Commission etc.
 - b. 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 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 1st 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 st March 2024	As at 31 st 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 (%) (CET 1 as a percentage of RWAs)	10.36%	10.27%
viii)	Tier 1 capital Ratio (%) (Tier 1 capital as a percentage of RWAs)	11.93%	12.06%
ix)	Tier 2 capital Ratio (%) (Tier 2 capital as a percentage of RWAs)	2.35%	2.62%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (%) (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> Basel III compliant Perpetual Debt Instruments	8,101.00	15,133.00
xv)	<u>Amount of Tier 2 capital raised during the year:</u> 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 1st March 2016, has given discretion to banks to consider Revaluation Reserve, Foreign Currency Translation Reserve and Deferred Tax Asset for purposes of computation of Capital Adequacy as CET- I capital ratio. The Bank has exercised the option in the above computation.

\$ 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 31st 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 2nd 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 (₹ in Crore)	Date of Issue	Interest Rate % 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
TOTAL		50,626.40		

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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 (₹ in Crore)	Date of Issue /Date of Redemption	Interest Rate % p.a.	Maturity Period 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		
TOTAL		43,174.00			

18.2. ASSET LIABILITY MANAGEMENT

a. Maturity pattern of certain items of assets and liabilities as at 31st 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 (62021.01)	91,980.91 (81,883.25)	48,883.19 (45,827.82)	76,745.22 (64,120.64)	96,162.50 (88,668.79)	73,330.72 (60,036.93)	223,144.27 (1,82,952.43)	10,91,758.84 (10,66,628.66)	13,08,824.69 (9,63,143.94)	4,99,189.18 (5,25,512.40)	13,43,668.61 (12,82,981.91)	49,16,076.77 (44,23,777.78)
Advances	48,490.57 (43,124.35)	20,243.78 (18,214.44)	18,200.46 (16,962.84)	63,527.57 (41,105.18)	79,495.23 (79,902.61)	59,539.62 (60,557.90)	1,77,491.33 (1,89,565.69)	2,58,065.63 (2,38,645.46)	14,21,478.78 (11,55,432.84)	4,99,508.52 (4,33,665.73)	10,57,929.36 (9,22,092.26)	37,03,970.85 (31,99,269.30)
Investments	401.67 (355.75)	4,656.47 (1,278.98)	2,612.69 (4,552.48)	12,025.91 (17,717.98)	20,920.94 (50,026.23)	29,133.31 (25,047.13)	47,085.63 (62,332.71)	1,41,889.43 (1,86,969.71)	31,21,033.33 (2,61,846.37)	2,13,496.44 (2,38,318.28)	887,013.84 (7,21,920.61)	16,71,339.66 (15,70,366.23)
Borrowings	59,009.00 (21.11)	1,00,380.89 (1,05,533.97)	4,567.20 (16,840.87)	27,865.05 (28,535.79)	29,449.90 (27,044.48)	35,365.03 (37,140.22)	73,860.39 (47,064.18)	49,411.34 (55,395.05)	80,558.21 (66,095.16)	42,787.25 (53,366.85)	94,306.65 (56,097.48)	5,97,560.91 (4,93,135.16)
Foreign Currency Assets #	15,621.97 (11,699.08)	9,830.90 (8,291.75)	8,385.25 (8,689.76)	42,254.85 (21,566.10)	40,481.78 (40,420.48)	45,373.87 (42,014.10)	89,465.07 (93,188.46)	73,261.52 (73,245.98)	1,82,089.19 (1,38,699.09)	1,08,502.14 (1,08,321.98)	57,547.38 (61,971.63)	6,72,813.92 (6,08,108.41)
Foreign Currency Liabilities \$	23,328.17 (24,828.68)	7,999.52 (10,034.84)	7,797.35 (9,639.00)	36,812.27 (30,962.01)	42,343.85 (44,476.12)	45,723.86 (50,917.06)	1,11,574.02 (74,840.99)	96,735.79 (82,402.52)	99,192.23 (74,915.44)	64,387.38 (54,743.19)	19,293.86 (28,376.65)	5,55,188.30 (4,86,136.50)

Foreign Currency Assets represent advances and investments.

\$ Foreign Currency Liabilities represent borrowings and deposits.
(Figures in brackets are as at 31st 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 31st March 2024

Quantitative Disclosure

(₹ in Crore)

Liquidity Coverage Ratio (State Bank of India - Standalone)										
LCR COMPONENTS	Quarter ended 31 st March 2024		Quarter ended 31 st December 2023		Quarter ended 30 th September 2023		Quarter ended 30 th June 2023		Quarter ended 31 st March 2023	
	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
HIGH QUALITY LIQUID ASSETS (HQLA)										
1. Total High Quality Liquid Assets (HQLA)		13,13,148		14,08,025		14,04,869		13,06,689		12,13,100
CASH OUTFLOWS										
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
CASH INFLOWS										
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 31st 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 31st 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 31st 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 31 st March 2024		Quarter ended 31 st December 2023		Quarter ended 30 th September 2023		Quarter ended 30 th June 2023		Quarter ended 31 st March 2023	
	Total Unweighted Value (Average)**	Total Weighted Value (Average)	Total Unweighted Value (Average)**	Total Weighted Value (Average)	Total Unweighted Value (Average)**	Total Weighted Value (Average)	Total Unweighted Value (Average)**	Total Weighted Value (Average)	Total Unweighted Value (Average)**	Total Weighted Value (Average)
HIGH QUALITY LIQUID ASSETS (HQLA)										
1. Total High Quality Liquid Assets (HQLA)		13,33,091		14,25,393		14,20,958		13,19,419		12,29,440
CASH OUTFLOWS										
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
8. Total Cash Outflows	62,68,331	15,84,903	60,71,548	15,06,636	58,98,557	14,81,723	57,20,144	13,98,325	55,58,720	13,66,090
CASH INFLOWS										
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
12. Total Cash Inflows	6,28,422	5,64,340	5,41,114	4,82,433	5,98,901	5,15,115	5,81,197	5,06,803	6,03,230	5,41,153
13. Total HQLA		13,33,091		14,25,393		14,20,958		13,19,419		12,29,440
14. Total Net Cash Outflows		10,20,563		10,24,203		9,66,608		8,91,522		8,24,937
15. Liquidity Coverage Ratio(%)		130.62%		139.17%		147.00%		148.00%		149.03%

** 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 31st March 2024, 31st December 2023, 30th September 2023 and 30th 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 31st 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				-	43,987	10,24,700		-	42,093
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 17th 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 01st October 2021. As on 31st 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 31st 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 31st 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 31st March 2024

(₹ in Crore)

NET STABLE FUNDING RATIO (State Bank of India Group)											
Statements for the Quarter ending		31 st March 2024					31 st 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 th September 2023					30 th June 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)	3,67,558	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 31st March 2024

18.3. INVESTMENTS

a. Composition of investment portfolio:

Current Year

Composition of investments as at 31st March 2024	Investments In India						Investments outside India			Whole Bank	
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries &/or Joint Ventures	Others	Government Securities (including Local Authorities)	Subsidiaries &/or Joint Ventures	Others	Total investments outside India	Total Investments
Held to Maturity											
Gross	10,65,696.16	-	8.00	16,620.41	7,792.63	1,580.00	778.07	5,680.22	133.90	6,592.19	10,98,289.39
Less: Provision for non-performing investments (NPI)	-	-	8.00	-	42.87	112.05	-	-	6.66	6.66	169.58
Net	10,65,696.16	-	-	16,620.41	7,749.76	1,467.95	778.07	5,680.22	127.24	6,585.53	10,98,119.81
Available for Sale											
Gross	2,94,170.75	-	7,994.55	1,62,615.06	7,810.00	43,921.54	31,226.31	-	29,543.88	60,770.19	5,77,282.09
Less: Provision for depreciation and NPI	842	-	795.28	2,349.66	-	6,452.17	324.56	-	775.11	1,099.67	10,705.20
Net	2,94,162.33	-	7,199.27	1,60,265.40	7,810.00	37,469.37	30,901.75	-	28,768.77	59,670.52	5,66,576.89
Held for Trading											
Gross	5,881.70	-	-	761.26	-	-	-	-	-	-	6,642.96
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-
Net	5,881.70	-	-	761.26	-	-	-	-	-	-	6,642.96
Total Investments											
Gross	13,65,748.61	-	8,002.55	1,79,996.73	15,602.63	45,501.54	32,004.38	5,680.22	29,677.78	67,362.38	16,82,214.44
Less: Provision for non-performing investments (NPI)*	-	-	692.30	1,128.52	-	-	-	-	-	-	1,820.82
Less: Provision for depreciation*	842	-	110.98	1,221.14	42.87	6,564.22	324.56	-	781.77	1,106.33	9,053.96
Net	13,65,740.19	-	7,199.27	1,77,647.07	15,559.76	38,937.32	31,679.82	5,680.22	28,896.01	66,256.05	16,71,339.66

* includes LICRA

Previous Year

(₹ in Crore)												
Composition of Investments as at 31st March 2023	Investments in India						Investments outside India				Whole Bank	
	Government Securities	Other Approved Securities	Shares	Debtures and Bonds	Subsidiaries &/or Joint Ventures	Others	Total investments in India	Government Securities (including Local Authorities)	Subsidiaries &/or Joint Ventures	Others	Total investments outside India	Total Investments
Held to Maturity												
Gross	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
Net	9,20,090.06	-	-	31,374.37	6,240.23	1,645.38	9,59,350.04	804.03	5,680.22	127.24	6,611.49	9,65,961.53
Available for Sale												
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
Net	3,18,568.17	-	14,046.90	1,82,018.40	7,810.00	27,430.94	5,49,874.40	29,255.17	-	25,563.48	54,818.65	6,04,693.05
Held for Trading												
Gross	(326.93) @	-	40.99	-	-	-	(285.94)	-	-	-	-	(285.94)
Less: Provision for depreciation and NPI	2.37	-	0.04	-	-	-	2.41	-	-	-	-	2.41
Net	(329.30)	-	40.95	-	-	-	(288.35)	-	-	-	-	(288.35)
Total Investments												
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
Net	12,39,328.92	-	14,087.85	2,13,392.77	14,050.23	29,076.32	15,08,936.09	30,059.20	5,680.22	25,690.72	61,430.14	15,70,366.23

* includes LICRA; @ Short sale

Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st 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 25th July 2023, the Bank has incorporated a wholly owned subsidiary named SBI CDMDF Trustee Private Limited. On 3rd 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 7th 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 31st 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 8th 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 10th 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 31st 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 27th 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	-
Closing balance	11,522.30	12,271.38
Closing balance of investments in AFS and HFT category	5,76,115.05	6,13,569.08
Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT category	2.00%	2.00%

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
Closing balance	1,824.98	3,215.69
Total provisions held on above	1,820.82	3,066.55

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	-
Total		3,05,599.47	3,32,037.31	1,45,129.38	1,58,259.56	4,697.96	3,643.40	1,903.70	383.46	398.62	398.62

* 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.

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st 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 st March 2024
Securities sold under Repo				
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	-
Securities purchased under Reverse Repo				
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 st March 2023
Securities sold under Repo				
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	-
Securities purchased under Reverse Repo				
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 st March 2024	Standard Advances	Sub Standard Advances	Doubtful Advances	Loss Advances	Total Non-Performing Advances	Total
Gross Standard Advances and NPAs						
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
Closing balance (A+B-C)	36,83,258.18	14,996.69	41,552.12	27,727.52	84,276.33	37,67,534.51
* 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
Provisions (excluding Floating Provisions)						
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
Closing balance of provisions held	24,112.57 \$\$	2,926.45	32,379.65	27,727.52	63,033.64	87,146.19
Net NPAs						
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	
Closing Balance		12,070.23	8,980.85	-	21,051.08 §	

§ 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.

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st 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
Gross Standard Advances and NPAs						
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
Closing balance (A+B-C)	31,78,314.03	12,665.08	51,204.29	27,058.41	90,927.78	32,69,241.81
* 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
Provisions (excluding Floating Provisions)						
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
Closing balance of provisions held	25,673.65 \$	2,551.32	39,659.80	27,058.41	69,269.53	94,943.18
Net NPAs						
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	
Closing Balance		10,113.76	11,352.88	-	21,466.64 \$	

\$ 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	-	-
Closing balance of floating provisions	193.75	193.75

Technical write-offs and the recoveries made thereon:

(₹ in Crore)

Particulars	Current Year	Previous Year
Opening balance of Technical/ Prudential written-off accounts	--	--
Add: Technical/ Prudential write-offs during the year	--	--
Less: Recoveries made from previously technical/ prudential written-off accounts during the year	--	--
Closing balance	--	--

Asset Quality Ratios:

Particulars	Current Year	Previous Year
Gross NPA to Gross Advances	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
A	Priority Sector						
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
	Sub-total (A)	8,34,788.88	42,995.48	5.15	7,25,787.67	41,371.97	5.70
B	Non-Priority Sector						
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
	Sub-total (B)	29,32,745.63	41,280.86	1.41	25,43,454.14	49,555.81	1.95
C	Total (A+B)	37,67,534.51	84,276.33	2.24	32,69,241.81	90,927.78	2.78

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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
Total	3	306	9	1,702

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 1st 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 31st March 2023, based on the conditions mentioned in RBI Circular No. DOR.ACC.REC. No.74/21.04.018/2022-23 dated 11th 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 24th 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 31st 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 31st 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 31st March 2024.

Provision held on the Security Receipts backed by NPAs sold by the Bank as underlying as on 31st March 2024 is ₹6,421.16 Crore (as on 31st 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 31st 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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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 31st 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 31st March 2024, in terms of RBI Circular DOR. No. BP.BC/3/21.04.048/2020-21 dated 6th August 2020 (Resolution Framework 1.0) and DOR.STR.REC.11/21.04.048/2021-22 dated 5th May 2021 (Resolution Framework 2.0) are:

	(₹ in Crore)				
	(A)	(B)	(C)	(D)	(E)
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	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	-	-	-	-	-
Total	20,854	1,474	-	2,101	17,279

(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
I	Direct exposure		
i)	Residential Mortgages		
	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
ii)	Commercial Real Estate		
	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
iii)	Investments in Mortgage-Backed Securities (MBS) and other securitised exposures:		
	a) Residential	-	-
	b) Commercial Real Estate	-	-
II	Indirect Exposure		
	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
	Total Exposure to Real Estate Sector	9,47,857.57	7,29,163.50

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
	Total Exposure to Capital Market	42,116.41	27,494.19

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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 st March 2024		As at 31 st 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
Total	4,02,813.45	246.91	3,54,703.98	196.15

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
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 31st March 2024 is ₹38,570.64 Crore. (Previous Year ₹28,565.16 Crore).

f. Intra-Group Exposures:

(₹ in Crore)

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.BPBC. 96/21.06.102/2013-14 dated 11th 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 30th September, 2022 to 23rd December, 2022. For this contravention RBI levied penalty of ₹0.30 Crore on 25th September, 2023.

g. Unhedged Foreign Currency Exposure:

- An amount of ₹250.67 Crore (Previous Year ₹239.18 Crore) was held as on 31st 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 [#]	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)

[#]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 31st March 2024 are given below:

Instrument	Nature	Nos.	Notional Principal (₹ 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
Total		14,616	7,48,317.86		

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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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 [@]	57,751.90	47,965.32 [#]
(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

[@]Excludes swaps amounting to ₹1,831.10 Crore (Previous Year ₹2,027.92 Crore) entered with the Bank's own foreign offices.

[#]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 31st March 2024 amounted to ₹50,517.50 Crore (Previous Year ₹40,744.08 Crore) and the derivatives done between SBI Foreign Offices as on 31st 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 31st 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
Closing balance of amounts transferred to DEA Fund	14,423.47	8,952.21

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
Complaints received by the bank from its customers.			
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
Maintainable complaints received by the bank from Office of Ombudsman			
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, (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	-
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	-
Total	1,35,112	32,33,561	-16.30	1,31,423	42,473

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	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
Total	1,82,212	38,63,085	11.88	1,35,112	64,151

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 31st 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 25th 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 26th 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
TOTAL	2,670.48	2,438.55

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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
Total	1,222.34	1,203.31

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	-
Total	1,98,129.00	15,510.00	2,02,000.00	-

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
Total	25,620.56	33,480.52

f. Implementation of IFRS converged Indian Accounting Standards (Ind AS):

RBI vide Circular DBR.BP.BC.No.29/21.07.001/2018-19 dated 22nd 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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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
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation as at 1 st 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 st March	1,90,944.96	1,56,966.26	12,833.94	12,390.48
Change in Plan Assets				
Opening fair value of Plan Assets as at 1 st 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 st March	1,51,643.97	1,33,148.54	12,139.72	11,065.66
Reconciliation of present value of the obligation and fair value of the plan assets				
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
Amount Recognised in the Balance Sheet				
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
Net Cost recognised in the profit and loss account				
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
Reconciliation of expected return and actual return on Plan Assets				
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
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet				
Opening Net Liability/ (Asset) as at 1 st 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

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Plan Assets of Pension Fund & Gratuity Fund as on 31st March 2024 are as follows:

Category of Assets	Pension Fund % of Plan Assets		Gratuity Plan % 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%
Total	100.00%	100.00%	100.00%	100.00%

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.

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st 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
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation as at 1 st 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 st March	41,827.21	38,236.80
Change in Plan Assets		
Opening fair value of Plan Assets as at 1 st 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 st March	42,600.99	39,210.05
Reconciliation of present value of the obligation and fair value of the plan assets		
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
Net Cost recognised in the profit and loss account		
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
Reconciliation of opening and closing net liability/(asset) recognised in Balance Sheet		
Opening Net Liability as at 1 st 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 31st March 2024 are as follows:

Category of Assets	Provident Fund % 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%
Total	100.00%	100.00%

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 31st 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 1st 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
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation as at 1 st 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 st March	13,543.96	11,068.33
Net Cost recognised in the profit and loss account		
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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(₹ in Crore)		
Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1 st 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
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 (Urban)	IALM 2012-14 (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 (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:

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.

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st March 2024

2. Segment Information

Part A: Primary (Business Segments):

(₹ in Crore)

Business Segment	Treasury	Corporate / Wholesale Banking	Retail Banking		Total	Other Banking Operations	Total
			Digital Banking	Other retail Banking			
Revenue (before exceptional items) #	1,25,552.27 (1,01,933.92)	1,30,257.54 (98,038.91)	5,149.22 (3,697.02)	2,03,630.78 (1,63,216.12)	2,08,780.00 (1,66,913.14)	- (-)	4,64,589.81 (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 (9,470.88)	40,474.40 (29,049.75)	7,685.55 (5,020.54)	31,863.16 (28,218.94)	39,548.71 (33,239.48)	- (-)	96,210.41 (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)
Other Information:							
Segment Assets *	17,99,263.94 (16,65,482.35)	17,13,722.56 (14,92,904.65)	74,123.60 (52,647.74)	25,33,651.57 (25,57,802.67)	26,07,775.17 (23,10,450.41)	- (-)	61,20,761.67 (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 (15,24,002.00)	16,26,313.44 (14,57,595.81)	6,94,818.32 (4,90,464.77)	16,70,042.28 (15,62,424.59)	23,64,860.60 (20,52,889.36)	- (-)	56,11,825.38 (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 31st March 2024.* As at 31st March, 2024.

As per RBI Circular DOR. AUT.REC.12/22.01.001/2022-23 dated 7th 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.

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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 25th 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 25th 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. 21st 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/ Joint Ventures	Key Management Personnel & their relatives	Total	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Outstanding as at	31st March 2024			31st March 2023		
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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(₹ in Crore)

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Maximum outstanding	During FY 2023-24			During FY 2022-23		
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
During the year	During FY 2023-24			During FY 2022-23		
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 31 st March 2024	As at 31 st 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
Total	93.17	75.30

- 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
Basic and diluted		
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.

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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 31 st March 2024	As at 31 st March 2023
Deferred Tax Assets (DTA)		
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
Total	24,527.76	21,600.24
Deferred Tax Liabilities (DTL)		
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
Total	13,103.89	11,066.03
Net Deferred Tax Assets/(Liabilities)	11,423.87	10,534.21

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 (₹ in Crore)	Country of Residence	Holding %
1	C - Edge Technologies Ltd.	4.90 (4.90)	India	49% (49%)
2	SBI Macquarie Infrastructure Management Pvt. Ltd.	18.57 (18.57)	India	45% (45%)
3	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	0.03 (0.03)	India	45% (45%)
4	Maquarie SBI Infrastructure Management Pte. Ltd.	2.25 (2.25)	Singapore	45% (45%)
5	Macquarie SBI Infrastructure Trustee Ltd. #	- (-)	Bermuda	45% (45%)
6	Oman India Joint Investment Fund - Management Company Pvt. Ltd.	2.30 (2.30)	India	50% (50%)
7	Oman India Joint Investment Fund - Trustee Company Pvt. Ltd.	0.01 (0.01)	India	50% (50%)
Total		28.06 (28.06)		

Indirect holding through Maquarie SBI Infra Management Pte. Ltd., against which the company has made 100% provision on investments.
(Figures in brackets relate to previous year)

As required by AS 27, the aggregate amount of the assets, liabilities, income, expenses, contingent liabilities and commitments related to the Bank's interests in jointly controlled entities are disclosed as under:

(₹ in Crore)		
Particulars	As at 31 st March 2024	As at 31 st March 2023
Liabilities		
Capital & Reserves	244.45	220.31
Deposits	-	-
Borrowings	-	-
Other Liabilities & Provisions	52.47	41.58
Total	296.92	261.89
Assets		
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
Total	296.92	261.89
Capital Commitments	-	-
Other Contingent Liabilities	1.49	1.49
Income		
Interest earned	10.16	8.27
Other income	218.30	188.40
Total	228.46	196.67
Expenditure		
Interest expended	-	0.18
Operating expenses	164.34	152.52
Provisions & contingencies	17.51	15.18
Total	181.85	167.88
Profit	46.61	28.79

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.

Schedules

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st 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
Closing balance	2,603.68	3,109.95

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 31st 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 22nd 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 23rd June 2017 and 28th August 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the bank is holding total provision of ₹3,783.03 Crore (100% of total outstanding) as on 31st 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. 1st November 2022. On signing of the 12th Bi-partite wage settlement and 9th Joint Note on 8th 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 31st 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 31st 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 31st March, 2024

(000s omitted)

Particulars	Year ended 31.03.2024 ₹	Year ended 31.03.2023 ₹
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) before Taxes	81782,96,36	67205,63,25
Adjustments for:		
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
	92731,96,63	97216,50,90
Adjustments for:		
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)
	47797,99,90	(75999,06,08)
Tax refund/ (Taxes paid)	(28776,10,67)	(15352,75,44)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	A 19021,89,23	(91351,81,52)
CASH FLOW FROM INVESTING ACTIVITIES:		
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)
NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES	B (3052,91,78)	(3297,03,67)

(000s omitted)

Particulars	Year ended 31.03.2024 ₹	Year ended 31.03.2023 ₹
CASH FLOW FROM FINANCING ACTIVITIES:		
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)
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES	C (13855,36,92)	5201,75,75
EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE	D 788,76,47	2794,39,13
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)	2902,37,00	(86652,70,31)
CASH AND CASH EQUIVALENTS AS AT 1st APRIL	307899,61,80	394552,32,11
CASH AND CASH EQUIVALENTS AS AT THE YEAR END	310801,98,80	307899,61,80
Notes:		
1. Components of Cash & Cash Equivalents as at:	31.03.2024	31.03.2023
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
	310801,98,80	307899,61,80
2. Cash flow from operating activities is reported by using indirect method.		

Shri Vinay M. TonseManaging 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: 9th 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: 9th 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 31st 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	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) Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances. Advances constitute 59.94% 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. Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which identifies whether the advances are performing or non-performing. Further, NPA classification and calculation of provision (except in case of foreign offices) is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application Software and other processes. The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed. Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgement involved in valuation of securities 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. Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances	Our audit approach towards advances with reference to the IRAC norms and other related circulars/directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of controls on sample basis, - 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; - 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; - Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines/ Judicial pronouncements; - 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. - 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. - We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection. - In carrying out substantive procedures at the branches 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. - We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision; - Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication. - 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.

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
ii	Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements) Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities. Investments constitute 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. 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. Accordingly, our audit was focused on valuation of investments, classification, identification of non performing investments and provisioning related to investments	Our audit approach towards Investments with reference to the RBI Circulars/directives included the 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; - 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; - We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments; - 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; - We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision; - 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; - 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.

Independent Auditors' Report

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
iii	Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 18.13 of Schedule 18 to the financial statements): There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own 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. 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.	Our audit approach involved: - Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances; - Understanding the current status of the litigations/tax assessments including the status up to the date of auditor's report; - Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon; - 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; - 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 - Verification of disclosures related to significant litigations and taxation matters.
iv	Valuation of employees' defined benefit obligations: 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. 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.	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.

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 31st 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: 9th 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
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For M C Bhandari & Co.
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For R G N Price & Co.
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For V Singhi & Associates
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CA Sundeep Singhi
Partner: M. No. 063785
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For Ravi Rajan & Co. LLP
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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: 9th May 2024

State Bank of India

Consolidated Balance Sheet as at 31st March 2024

(000s omitted)

	Schedule No.	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
CAPITAL AND LIABILITIES			
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
TOTAL		6733778,79,97	5954418,31,70
ASSETS			
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
TOTAL		6733778,79,97	5954418,31,70
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: 9th May 2024

Schedules

forming part of the Consolidated Balance Sheet as at 31st March 2024

SCHEDULE 1 - CAPITAL

	(000s omitted)	
	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
Authorised Capital:		
5000,00,00,000 shares of ₹1 each (Previous Year 5000,00,00,000 shares of ₹1 each)	5000,00,00	5000,00,00
Issued Capital:		
892,54,05,164 Equity shares of ₹1 each (Previous Year 892,54,05,164 Equity shares of ₹1 each)	892,54,05	892,54,05
Subscribed and Paid up Capital:		
892,46,11,934 Equity shares of ₹1 each (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 (Previous Year 8,91,60,950 Equity shares of ₹1 each) represented by 95,88,867 (Previous Year 89,16,095) Global Depository Receipts]		
TOTAL	892,46,12	892,46,12

SCHEDULE 2 - RESERVES & SURPLUS

	(000s omitted)	
	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
I. Statutory Reserves		
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
II. Capital Reserves		
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
III. Share Premium		
Opening Balance	79115,47,68	79115,47,05
Additions during the year	-	63
Deductions during the year	- 79115,47,68	- 79115,47,68
IV. Investment Fluctuation Reserve		
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
V. Foreign Currency Translation Reserve		
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 31st March 2024

(000s omitted)

	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
VI. Revenue and Other Reserves		
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
VII. Revaluation Reserve		
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
VIII. Capital Reserve on Consolidation		
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
IX. Balance in Profit and Loss Account	72019,17,93	41923,30,28
TOTAL	414046,71,03	358038,85,69

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 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
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
Minority Interest on the date of balance sheet	15617,96,24	12836,61,94

SCHEDULE 3 - DEPOSITS

(000s omitted)

	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
A. I. Demand Deposits		
(i) From Banks	5745,87,30	3160,40,31
(ii) From Others	303531,70,50	302572,94,64
II. Savings Bank Deposits	1673652,24,52	1600786,08,97
III. Term Deposits		
(i) From Banks	5107,34,24	7611,65,56
(ii) From Others	2978500,32,16	2554404,41,20
TOTAL	4966537,48,72	4468535,50,68
B. (i) Deposits of Branches in India	4718596,72,73	4248617,47,94
(ii) Deposits of Branches outside India	247940,75,99	219918,02,74
TOTAL	4966537,48,72	4468535,50,68

SCHEDULE 4 - BORROWINGS

(000s omitted)

	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
I. Borrowings in India		
(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
TOTAL	331335,30,63	251379,74,61
II. Borrowings outside India		
(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	289,71,06
TOTAL	308274,19,66	269772,20,37
GRAND TOTAL	639609,50,29	521151,94,98
Secured Borrowings included in I & II above	209699,57,92	147932,42,29

Schedules

forming part of the Consolidated Balance Sheet as at 31st March 2024

SCHEDULE 5 - OTHER LIABILITIES & PROVISIONS

(000s omitted)

	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
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
TOTAL	697074,67,57	592962,92,29

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(000s omitted)

	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
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	-
TOTAL	225356,33,61	247321,04,97

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(000s omitted)

	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
I. In India		
(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	-
TOTAL	37260,57,28	13428,05,05
II. Outside India		
(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
TOTAL	63955,39,46	57562,80,95
GRAND TOTAL (I and II)	101215,96,74	70990,86,00

SCHEDULE 8 - INVESTMENTS

(000s omitted)

	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
I. Investments in India in:		
(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
TOTAL	2038456,05,70	1847847,96,72
II. Investments outside India in:		
(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
TOTAL	72092,16,89	65259,88,92
GRAND TOTAL (I and II)	2110548,22,59	1913107,85,64
III. Investments in India:		
(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)	2038456,05,70	1847847,96,72
IV. Investments outside India:		
(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)	72092,16,89	65259,88,92
GRAND TOTAL (III and IV)	2110548,22,59	1913107,85,64
# Investment in Associates (In India and Outside India)		
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	9420,78,55	9338,62,45
Add: Post-acquisition profit/(loss) and Reserve of Associates (Equity Method)	8250,79,18	6846,58,91
TOTAL	17671,57,73	16185,21,36

Schedules

forming part of the Consolidated Balance Sheet as at 31st March 2024

SCHEDULE 9 - ADVANCES

(000s omitted)		
	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
A. (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
TOTAL	3784272,67,05	3267902,12,73
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
TOTAL	3784272,67,05	3267902,12,73
C. (I) Advances in India		
(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
TOTAL	3200564,36,96	2734268,98,99
(II) Advances outside India		
(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
TOTAL	583708,30,09	533633,13,74
GRAND TOTAL [C (I) and C (II)]	3784272,67,05	3267902,12,73

SCHEDULE 10 - FIXED ASSETS

(000s omitted)

	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
I. Premises (including Revalued Premises)		
At cost/revalued as at 31 st 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	33138,16,97
		1228,86,53
		33400,03,96
IA. Premises under construction	528,43,41	317,54,60
II. Other Fixed Assets (including furniture and fixtures)		
At cost as at 31 st 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	10632,45,97
		33883,53,97
		10293,72,26
IIA. Leased Assets		
At cost as at 31 st 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
TOTAL (I, IA,II and IIA)	44665,72,50	44341,36,06
III. Capital-Work-in progress (including Leased Assets) net of Provisions	42,45,23	66,02,04
TOTAL (I, IA, II, IIA and III)	44708,17,73	44407,38,10

Schedules

forming part of the Consolidated Balance Sheet as at 31st March 2024

SCHEDULE 11 - OTHER ASSETS

(000s omitted)

	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
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
TOTAL	467677,42,25	410689,04,26

SCHEDULE 12 - CONTINGENT LIABILITIES

(000s omitted)

	As at 31.03.2024 (Current Year) ₹	As at 31.03.2023 (Previous Year) ₹
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
TOTAL #	2397594,80,24	1835524,38,19

\$ 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 31st March 2024

(000s omitted)			
	Schedule No.	Year ended 31.03.2024 (Current Year) ₹	Year ended 31.03.2023 (Previous Year) ₹
I. INCOME			
Interest earned	13	439188,51,23	350844,58,01
Other Income	14	155386,39,22	122533,56,11
TOTAL		594574,90,45	473378,14,12
II. EXPENDITURE			
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
TOTAL		526436,64,36	416819,71,13
III. PROFIT			
Net Profit for the year (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
TOTAL		109007,96,89	76042,52,33
IV. APPROPRIATIONS			
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
TOTAL		109007,96,89	76042,52,33
V. EARNINGS PER EQUITY SHARE (Face value ₹ 1 per share)			
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: 9th May 2024

Schedules

forming part of the Consolidated Profit and Loss Account for the year ended 31st March 2024

SCHEDULE 13 - INTEREST EARNED

(000s omitted)

	Year ended 31.03.2024 (Current Year) ₹	Year ended 31.03.2023 (Previous Year) ₹
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
TOTAL	439188,51,23	350844,58,01

SCHEDULE 14 - OTHER INCOME

(000s omitted)

	Year ended 31.03.2024 (Current Year) ₹	Year ended 31.03.2023 (Previous Year) ₹
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
TOTAL	155386,39,22	122533,56,11

SCHEDULE 15 - INTEREST EXPENDED

(000s omitted)

	Year ended 31.03.2024 (Current Year) ₹	Year ended 31.03.2023 (Previous Year) ₹
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
TOTAL	259736,04,81	189980,81,67

SCHEDULE 16 - OPERATING EXPENSES

(000s omitted)

	Year ended 31.03.2024 (Current Year) ₹	Year ended 31.03.2023 (Previous Year) ₹
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
TOTAL	235893,83,88	189814,48,59

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 31st 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:

- Financial statements of State Bank of India (Parent).
- Line by line aggregation of each item of asset/liability/income/expense of the subsidiaries with the respective item of the Parent. 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.
- 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.
- 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:

- 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
- 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 into offer document on accrual basis.

Schedules

forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31st March 2024

- 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. 1st 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

Schedules

forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31st March 2024

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:

Substandard Assets:	i.	A general provision of 15% on the total outstanding;
	ii.	Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio);
	iii.	Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available – 20%.
Doubtful Assets:		
- Secured portion:	i.	Upto one year – 25%
	ii.	One to three years – 40%
	iii.	More than three years – 100%
- Unsecured portion		100%
Loss Assets:		100%

3.4 In respect of foreign offices/entities, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more 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 :
 - 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 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 1st August, 2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing SBI Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with 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 31st 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 25th July 2023 as a wholly owned subsidiary of the Bank and on 3rd 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 31st 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:-
- i) SBI Cards and Payment Services Limited has allotted 48,94,130 equity shares of ₹10 each during the year ended 31st March 2024. Consequently, the stake of SBI in SBI Cards and Payment Services Limited has reduced from 68.98% to 68.63%.
 - ii) SBI Life Insurance Company Limited has allotted 5,70,706 equity shares of ₹10 each during the year ended 31st March 2024. Consequently, the stake of SBI in SBI Life Insurance Company Limited has reduced from 55.45% to 55.42%.
 - iii) SBI Funds Management Limited has allotted 26,15,829 equity shares of ₹1 each during the year ended 31st 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.
 - iv) Yes Bank Limited has allotted 1,31,06,772 equity shares of ₹2 each during the year ended 31st March 2024. Consequently, the stake of SBI in Yes Bank Limited has reduced from 26.14% to 26.13%.
- e) During the year ended 31st 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
Total	82.16

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

- f) During the year ended 31st 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 7th February 2024 in Gift City - Gandhinagar. As on 31st 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
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation as at 1 st 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)	-	-
Closing defined benefit obligation as at 31st March	1,90,944.96	1,56,966.26	13,269.85	12,759.77
Change in Plan Assets				
Opening fair value of plan assets as at 1 st 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)
Closing fair value of plan assets as at 31st March	1,51,643.97	1,33,148.54	12,557.09	11,397.87
Reconciliation of present value of the obligation and fair value of the plan assets				
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	-	-	-	-
Net Liability/(Asset)	39,300.99	23,817.72	712.76	1,361.90

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(₹ in Crore)

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Amount Recognised in the Balance Sheet				
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	-	-	-	-
Net Liability/ (Asset)	39,300.99	23,817.72	712.76	1,361.90
Net Cost recognised in the profit and loss account				
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
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	29,792.63	16,303.18	758.41	1,036.48
Reconciliation of expected return and actual return on Plan Assets				
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	16,026.33	5,234.18	1,310.69	473.65
Reconciliation of opening and closing net liability/(asset) recognised in Balance Sheet				
Opening Net Liability/(Asset) as at 1 st April	23,817.72	15,534.26	1,361.90	1,812.55
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)
Net liability/(Asset) recognised in Balance Sheet	39,300.99	23,817.72	712.76	1,361.90

Investments under Plan Assets of Gratuity Fund & Pension Fund as on 31st 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%
Total	100.00%	100.00%

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
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation as at 1 st April	39,138.17	37,507.53
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 st March	42,883.83	39,138.17
Change in Plan Assets		
Opening fair value of Plan Assets as at 1 st April	40,122.71	38,426.83
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 st March	43,685.13	40,122.71
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at the year end	42,883.83	39,138.17
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	801.30	984.54
Net Cost recognised in the profit and loss account		
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	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	2,155.15	1,523.66
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1 st 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	-	-

Investments under Plan Assets of Provident Fund as on 31st 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%
Total	100.00%

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:
- one half percent above the average standard rate (adjusted up or down to the interest one quarter per cent) quoted by the bank for new deposits fixed for twelve months in the preceding year (ending on the preceding the 31st day of March); or
 - 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 1st 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
Total		69.18	67.48

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
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation as at 1 st April	11,078.32	10,381.62
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 st March	13,554.79	11,078.32
Net Cost recognised in the profit and loss account		
Current Service Cost	365.78	330.20
Interest Cost	828.31	754.41
Actuarial (Gain)/ Losses	2,378.98	749.41
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	3,573.07	1,834.02
Reconciliation of opening and closing net liability/ (asset) recognised in Balance Sheet		
Opening Net Liability as at 1 st April	11,078.32	10,381.62
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)
Net Liability/(Asset) recognised in the Balance Sheet	13,554.79	11,078.32

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 / Wholesale Banking	Retail Banking		Total	Insurance Business	Other Banking Operations	TOTAL
			Digital Banking	Other Retail 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)
Total Revenue								5,94,574.90
								(4,73,378.14)
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)
Other Information:								
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)
Total Assets								67,33,778.80
								(59,54,418.32)
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)
Total Liabilities								63,18,839.63
								(55,95,487.00)

(i) Income/Expenses are for the whole year. Assets/Liabilities are as at 31st 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 31st March 2024.

* As at 31st March, 2024.

As per RBI Circular DOR. AUT.REC.12/22.01.001/2022-23 dated 7th 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/ Joint Ventures	Key Management Personnel & their relatives	Total	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Outstanding as at	31st March 2024			31st March 2023		
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
Maximum outstanding	During FY 2023-24			During FY 2022-23		
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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(₹ in Crore)

Particulars	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
During the year	During FY 2023-24			During FY 2022-23		
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 1st April 2001:

The details of financial leases are given below:

(₹ in Crore)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Total Minimum lease payments outstanding		
Less than 1 year	75.86	75.21
1 to 5 years	210.69	233.10
5 years and above	93.71	49.63
Total	380.26	357.94
Interest Cost payable		
Less than 1 year	21.35	21.95
1 to 5 years	27.76	38.63
5 years and above	2.75	7.97
Total	51.86	68.55
Present value of minimum lease payments payable		
Less than 1 year	54.51	53.26
1 to 5 years	182.93	194.47
5 years and above	90.96	41.66
Total	328.40	289.39

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 31 st March 2024	As at 31 st 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
Total	567.30	562.32

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
Basic and diluted		
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 31 st March 2024	As at 31 st March 2023
Deferred Tax Assets (DTA)		
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
Total	25,270.91	22,253.55

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(₹ in Crore)		
Particulars	As at 31 st March 2024	As at 31 st March 2023
Deferred Tax Liabilities (DTL)		
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
Total	13,153.42	11,120.97
Net Deferred Tax Assets/(Liabilities)	12,117.49	11,132.58

- 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
	Total	30,806.75	37,024.41

(Figures in brackets indicate credit)

➤ Floating provisions:

(₹ in Crore)			
Sr No.	Particulars	Current Year	Previous Year
a	Opening Balance	193.75	193.75
b	Addition during the year	-	-
c	Draw down during the year	-	-
d	Closing balance	193.75	193.75

➤ **Description of contingent liabilities (AS-29):**

Sr. No	Particulars	Brief Description
1	Claims against the Group not acknowledged as debts	The 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 31st March 2023, based on the conditions mentioned in RBI Circular No. DOR.ACC.REC. No.74/21.04.018/2022-23 dated 11th October 2022.

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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. 1st November 2022. On signing of the 12th Bi-partite wage settlement and 9th Joint Note on 8th 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 31st 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 31st 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 31st March 2024.
 9. The Central Board of SBI has declared a dividend of ₹13.70 per share @ 1370% for the year ended 31st 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: 9th May 2024

State Bank of India

Consolidated Cash Flow Statement for the year ended 31st March 2024

(000s omitted)

PARTICULARS	Year ended 31.03.2024 ₹	Year ended 31.03.2023 ₹
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before taxes (including share in profit from associates and net of minority interest)	90186,44,73	74488,30,41
Adjustments for:		
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
	105123,76,30	106669,43,75
Adjustments for:		
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)
	52900,69,92	(68689,95,74)
Tax refund / (Taxes paid)	(31268,26,82)	(17323,72,22)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)	21632,43,10	(86013,67,96)
CASH FLOW FROM INVESTING ACTIVITIES		
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)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	(4251,71,53)	(4040,96,90)

State Bank of India

Consolidated Cash Flow Statement for the year ended 31st March 2024

(000s omitted)

PARTICULARS	Year ended 31.03.2024 ₹	Year ended 31.03.2023 ₹
CASH FLOW FROM FINANCING ACTIVITIES		
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
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	(9896,28,00)	6386,38,20
EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE (D)	775,95,81	3075,05,46
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	8260,39,38	(80593,21,20)
CASH AND CASH EQUIVALENTS AS AT 1ST APRIL	318311,90,97	398905,12,17
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH	326572,30,35	318311,90,97
Notes:		
1 Components of Cash & Cash Equivalents as at:	31.03.2024	31.03.2023
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
Total	326572,30,35	318311,90,97

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

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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: 9th 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
Key Audit matters reported in standalone financial statements of the Bank:		
i	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) Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances. Advances constitute 59.94% 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. Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which identifies whether the advances are performing or non-performing. Further, NPA classification and calculation of provision (except in case of foreign offices) is done through another IT System viz. Centralised Credit Data Processing (CCDP) Application Software and other processes. The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed. Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgement involved in valuation of securities 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. Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.	Our audit approach towards advances with reference to the IRAC norms and other related circulars/directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of controls on sample basis, - 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; - 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; - Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines/ Judicial pronouncements; - 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. - 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. - We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection. - In carrying out substantive procedures at the branches 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. - We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision; - Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication. - 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.

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
ii	Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements) Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities. Investments constitute 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. 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. Accordingly, our audit was focused on valuation of investments, classification, identification of non performing investments and provisioning related to investments.	Our audit approach towards Investments with reference to the RBI Circulars/directives included the 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 ; - 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; - We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments; - 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; - We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision; - 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; - 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.

Independent Auditors' Report

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
iii	Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 18.13 of Schedule 18 to the financial statements) : There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and 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. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.	Our audit approach involved: - Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances; - Understanding the current status of the litigations/tax assessments including the status up to the date of auditor's report; - Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon; - 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; - 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 - Verification of disclosures related to significant litigations and taxation matters.
iv	Valuation of employees' defined benefit obligations: 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. 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.	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.

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
Key Audit Matters as reported by auditors of SBI Life Insurance Company Limited:		
v	Information Technology systems and controls (IT Controls): 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. 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.	Principal audit procedures: • Sample testing of key control over IT systems having impact on financial accounting and reporting. • 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 • 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. • Reviewed the report of independent information system auditors which has confirmed the various system control measures adopted by the company.
vi	Valuation of Investments: The company's investment portfolio consists of Policyholders' investments (traditional and unit linked policy holders) and Shareholders investment. Total investment portfolio of the company (i.e. Asset under management (AUM)) represents 99.02 per cent of the Company's total assets. 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. 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. 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. 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. 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.	Principal Audit Procedures: • We assessed appropriateness of the pricing methodologies with reference to IRDAI Investment Regulations, Financial Statement Regulations, Company's internal investment and valuation policy. • 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. • 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. • For quoted investments, the valuation was done in accordance with the independent pricing sources / market prices in an active market. • 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.

Independent Auditors' Report

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
vii	Contingent Liabilities and Litigations: 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. 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.	Principal Audit Procedures: - 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. - 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. - 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.
Key Audit Matters as reported by auditors of SBI Capital Markets Limited:		
viii	Evaluation of uncertain tax positions: The company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.	Principal Audit Procedures: We evaluated the Company's processes and controls for monitoring the tax disputes. 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.

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: 9th 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		

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 31st 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 th 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 31st 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 31st 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 31st 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) \$#	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity) #	Remarks
1	SBI Capital Markets Ltd	India	Merchant Banking and Advisory Services	2,836.12	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 CDMDT Trustee Private Limited (Date of incorporation 25 th 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**

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

Sr. No	Name of the Entity	As advised by Non-Banking Subsidiaries
1	SBI Life Insurance Ltd.	- 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. - 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%.
2	SBI General Insurance Co. Ltd.	- 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. - 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%.
3	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.
4	SBI Funds Mgmt. Ltd.	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.
5	SBI Mutual Fund Trustee co. Ltd.	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.
6	SBI CDMDF Trustee Pvt. Ltd.	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.

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.	- Transfer of capital from SBICAP to the parent SBI, would be subject to the below: - 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. - 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. - 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. - SBICAP has an internal Risk policy of maintaining a minimum CAR of 15.00. - All of the above would be subject to the approval of the Board of SBICAP.
8	SBICAP Ventures Ltd (SVL)	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.
9	SBI Global Factors Ltd.	- 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. - A Company cannot hold NBFC-Factors license unless it maintains and continues to maintain, an amount paid as Net Owned Funds. - 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. - Every Company registered as NBFC- Factors shall maintain minimum Net Owned Fund (NOF) of ₹5 Crore as required by Factoring Regulations Act, 2011. - Companies Act also stipulates some conditions for transfer of capital by way of buy-back of shares or distribution as dividends. - There are no specific restrictions on transfer of funds or regulatory capital in Articles of Association of the Company. - 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.
10	SBI-SG Global Securities Services Ltd.	- 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 31st March 2024) for Operational Risk which is calculated as per Standardised Approach of Basel II. - 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.

Sr. No	Name of the Entity	As advised by Non-Banking Subsidiaries
11	SBI DFHI Ltd.	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: - Any change in the shareholding pattern / capital structure of SPD shall need prior approval of RBI. - SPDs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio (CRAR) of 15 per cent on an ongoing basis. - SPDs shall follow the following guidelines while declaring dividend distribution: - SPDs that meet the following minimum prudential requirements shall be eligible to declare dividend: - 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. - 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. - SPDs shall comply with the provisions of Section 45 IC of the Reserve Bank of India Act, 1934. - 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. - 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. 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.
12	SBI Pension Funds Pvt. Ltd.	- 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. - 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. - 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. - 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. - The Capital can be paid to the parent with the Board and Shareholders approval and fulfilling the PFRDA regulations & the provisions of the Companies Act, 2013.
13	SBI Payment Services Pvt. Ltd.	- There are no restrictions or impediments on the transfer of funds or Regulatory capital as per JV agreement. - Transfer of funds is subject to approval from the SBI Payments Board and JV partners.
14	State Bank Operations Support Services Pvt. Ltd.	- SBOSS can transfer capital to the Holding Bank by way of dividends or buyback of shares. - Further, in terms of the Companies Act, 2013 wherever approval of the Board / Shareholders is required, the company will comply with the same.

DF-2 – CAPITAL ADEQUACY

As on 31st 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
Total	₹3,39,198.01 Crore

(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
Total	₹35,723.69 Crore

(d) Capital requirements for operational risk:

• Basic Indicator Approach	₹39,323.58 Crore
• The Standardised Approach (if applicable)	NA
Total	₹39,323.58 Crore

(e) Common Equity Tier 1, Tier 1 and Total Capital Ratios:

- For the top consolidated group; and
- For significant bank subsidiaries (stand alone or sub-consolidated depending on how the Framework is applied)

Capital adequacy ratios as on 31st 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 DISCLOSURESAs on 31st 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 31st March 2006, a non-performing Asset (NPA) is an advance where

- Interest and/or instalment of principal remain 'overdue' for a period of more than 90 days in respect of a Term Loan.
- The account remains 'out of order' for a period of more than 90 days, in respect of an Overdraft/Cash Credit (OD/CC).
- The bill remains 'overdue' for a period of more than 90 days in the case of bills purchased and discounted.
- Any amount to be received remains 'overdue' for a period of more than 90 days in respect of other accounts.
- A loan granted for short duration crops is treated as NPA, if the instalment of principal or interest thereon remains overdue for two crop seasons and a loan granted for long duration crops is treated as NPA, if instalment of principal or interest thereon remains overdue for one crop season.
- An account would be classified as NPA only if the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter.
- The amount of a liquidity facility remains outstanding for more than 90 days, in respect of securitisation transactions undertaken in accordance with the RBI guidelines on securitisation dated 1st 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'.

'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 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 31st 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 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			-

Table- A: DF-3 (d) Industry Type Distribution of Exposures as on 31st 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
Total		37,63,099.09	85,674.03	38,48,773.12	54,3475.91

Table- B DF-3 (e) SBI (CONSOLIDATED) Residual contractual maturity breakdown of assets as on 31st 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	TOTAL
1 Cash	18500.90	7.39	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	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	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
5 Advances	37784.41	2651.458	26245.86	64061.42	89754.32	60627.77	196673.36	264976.11	1467977.00	563188.43	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	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	456893.67
TOTAL	137794.17	87618.01	47266.90	100443.62	130034.55	108394.47	272843.15	506640.39	1994171.74	849320.78	6353773.64

*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 23rd March 2016.

DF-4: CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

As on 31st 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 6th 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 31st 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
Total	4392249.03

DF-5: CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

As on 31st 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,

- has a well-founded legal basis for concluding that the netting or offsetting agreement is enforceable in each relevant jurisdiction regardless of whether the counterparty is insolvent or bankrupt.
- is able at any time to determine the loans/advances and deposits with the same counterparty that are subject to the netting agreement; and
- monitors and controls the relevant exposures on a net basis, it may use the net exposure of loans/advances and deposits as the basis for its capital adequacy calculation. Loans/advances are treated as exposure and deposits as collateral.

- **Policies and Processes for Collateral Valuation and Management**

The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Part B of this policy deals with Credit Risk Mitigation and Collateral Management, addressing the Bank's approach towards the credit risk mitigants used for capital calculation.

The objective of this Policy is to enable classification and valuation of credit risk mitigants in a manner that allows regulatory capital adjustment to reflect them.

The Policy adopts the Comprehensive Approach, which allows full offset of collateral (after appropriate haircuts), wherever applicable against exposures, by effectively reducing the exposure amount by the value ascribed to the collateral. The following issues are addressed in the Policy:

- Classification of credit risk-mitigants
- Acceptable credit risk-mitigants
- Documentation and legal process requirements for credit risk-mitigants
- Valuation of collateral
- Margin and Haircut requirements
- External ratings

- (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 31st 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 31st March 2024

Qualitative Disclosures

(a) The general qualitative disclosure requirement with respect to securitisation including a discussion of:	
The bank's objectives in relation to securitisation activity, including the extent to which these activities transfer credit risk of the underlying securitised exposures away from the bank to other entities.	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; @ A bank may have provided support to a securitisation structure in the form of an interest rate swap or currency swap to mitigate the interest rate/currency risk of the underlying assets, if permitted as per regulatory rules. # A bank may provide credit protection to a securitisation transaction through guarantees, credit derivatives or any other similar product, if permitted as per regulatory rules.	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 st 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) 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
(c) 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

(d) The total amount of exposures securitised by the bank.	Nil
(e) For exposures securitised losses recognised by the bank during the current period broken by the exposure type (e.g. Credit cards, housing loans, auto loans etc. detailed by underlying security)	Nil
(f) Amount of assets intended to be securitised within a year	Nil
(g) Of (f), amount of assets originated within a year before securitisation.	Not Applicable
(h) The total amount of exposures securitised (by exposure type) and unrecognised gain or losses on sale by exposure type.	Nil
(i) Aggregate amount of:	
On-balance sheet securitisation exposures retained or purchased broken down by exposure type and	Nil
Off-balance sheet securitisation exposures broken down by exposure type	Nil

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 31st March 2024

(₹ In Crore)			
Exposure type ¹	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
Total	₹5585.98	Nil	₹5585.98

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 31st March 2024

(₹ In Crore)				
	<100% risk weight	100% risk weight	>100% risk weight	Total
Exposure	5,585.98	-	-	5,585.98
Total capital charge	244.20	-	-	244.20

DF-7: MARKET RISK IN TRADING BOOK

As on 31st 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.

Category	(₹ In Crore)
Interest rate Risk (including Derivatives)	18801.14
Equity Position Risk	15916.69
Foreign Exchange Risk	1005.86
Total	35723.69

DF-8: OPERATIONAL RISK

As on 31st 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.

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 31st March 2024.
- RBI has issued Master Guidelines on 26th 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 1st April 2024, as amended from time to time.

DF-9: INTEREST RATE RISK IN BANKING BOOK (IRRBB)

As on 31st 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.

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 31st 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 31st 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 31st 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
Total	2194576.04	9439.10	57961.21
Credit Derivative transactions	NIL		

DF-11: COMPOSITION OF CAPITAL

As on 31st March 2024

(₹ in Crore)			
Basel III common disclosure template to be used from 31 st March 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	260048.9	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	
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	
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 31st 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	Total regulatory adjustments to Common equity Tier 1	5089.14
29	Common Equity Tier 1 capital (CET1)	361700.96
Additional Tier 1 capital: instruments		
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	Additional Tier 1 capital before regulatory adjustments	51189.7
Additional Tier 1 capital: regulatory adjustments		
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

(₹ in Crore)

Basel III common disclosure template to be used from 31st 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	Total regulatory adjustments to Additional Tier 1 capital	155.00
44	Additional Tier 1 capital (AT1)	51034.70
45	Tier 1 capital (T1 = CET1 + AT1) (29 + 44)	412735.66

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	Tier 2 capital before regulatory adjustments	79552.52

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	Total regulatory adjustments to Tier 2 capital	118.75
58	Tier 2 capital (T2)	79433.77
59	Total capital (TC = T1 + T2) (45 + 58)	492169.43
60	Total risk weighted assets (60a + 60b + 60c)	3423514.85
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 31st 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 31st March 2017 and 31st 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 31st March 2024

Composition of Capital – reconciliation requirement Step 1

(₹ in Crore)

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		As on reporting date	As on reporting date
A	Capital & Liabilities		
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
	Total Capital	4,30,557.13	4,04,977.21
ii	Deposits	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)	-	-
iii	Borrowings	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
iv	Other liabilities & provisions	6,97,074.68	2,99,196.37
	Total	67,33,778.80	63,12,159.87
B	Assets		
i	Cash and balances with Reserve Bank of India	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
ii	Investments	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
iii	Loans and advances	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
iv	Fixed assets	44,708.18	43,798.82
v	Other assets	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
vi	Goodwill on consolidation	1,405.96	1,405.96
vii	Debit balance in Profit & Loss account	-	-
	Total Assets	67,33,778.80	63,12,159.87

Composition of Capital – Reconciliation requirement step 2

(₹ in Crore)

	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference number
	As on reporting date	As on reporting date	
A Capital & Liabilities			
i Paid-up Capital	892.46	892.46	A
of which: Amount eligible for CET 1	892.46	892.46	A1
of which: Amount eligible for AT1	-	-	A2
Reserves & Surplus	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	
Total Capital	4,30,557.13	4,04,977.21	
ii Deposits	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)			
iii Borrowings	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	
iv Other liabilities & provisions	6,97,074.68	2,99,196.37	
of which: DTLs related to goodwill			
of which: DTLs related to intangible assets			
Total	67,33,778.80	63,12,159.87	

(₹ in Crore)

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference number
		As on reporting date	As on reporting date	
B	Assets			
i	Cash and balances with Reserve Bank of India	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	
ii	Investments	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	
iii	Loans and advances	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	
iv	Fixed assets	44,708.18	43,798.82	
v	Other assets	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
vi	Goodwill on consolidation	1,405.96	1,405.96	D
vii	Debit balance in Profit & Loss account	-	-	
	Total Assets	67,33,778.80	63,12,159.87	

Common Equity Tier 1 capital (CET1): instruments and reserves Step 3

(₹ in Crore)

		Component of regulatory capital reported by bank	Ref No. (with respect to DF - 12: Step 2)
1	Directly issued qualifying common share (and equivalent for non - joint stock companies) capital plus related stock surplus	80007.94	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 & Other Reserves is taken net of Integration & Development Fund (₹5 Crore)

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

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 31st March 2024

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 HTM Category are made in Associates, Subsidiaries, Joint Ventures and RRBs. These are strategic in nature.
Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices	Accounting and valuation policies for securities held under HTM category are detailed under Schedule 17 para 2.3(ii) of Bank's Annual Report.

Quantitative Disclosures

1	Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	₹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) ¹³	₹376.96 Crore (Unrealised loss)
5	Total latent revaluation gains (losses) ¹⁴	₹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

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 31st 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 31st March 2024

ITEM	(₹ in Million)
On balance sheet exposures	
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 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	6,29,42,863.11
Derivatives exposures	
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 Total derivative exposures (sum of lines 4 to 10)	4,94,377.17
Securities financing transaction exposure	
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 Total securities financing transaction exposures (sum of lines 12 to 15)	18,160.84
Other off balance sheet exposures	
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 Off-balance sheet items (sum of lines 17 and 18)	57,91,687.93
Capital and total exposures	
20 Tier 1 capital	41,27,356.52
21 Total exposures (sum of lines 3,11,16 and 19)	6,92,47,089.05
Leverage ratio	
22 Basel III leverage ratio (%) (State Bank Group)	5.96%

DF- GR: Additional Disclosures on Group Risk

As on 31st 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:

BANKING - OVERSEAS	NON - BANKING
SBI Canada Bank	SBI Capital Markets Ltd.
State Bank of India (California)	SBI Cards & Payment Services Ltd.
SBI (Mauritius) Ltd.	SBI DFHI Ltd.
PT Bank SBI Indonesia	SBI Funds Management Ltd.
Commercial Indo Bank LLC, Moscow	SBI General Insurance Company Ltd.
Nepal SBI Bank Ltd.	SBI Global Factors Ltd.
State Bank of India (UK) Ltd.	SBI Life Insurance Co. Ltd.
	SBI Pension Funds Pvt. Ltd.
	SBI-SG Global Securities Services Pvt. Ltd.
	SBICAP venture Ltd.
	State Bank Operations Support Services Pvt. Ltd.
	SBI CDMDT Trustee Pvt. Ltd.

State Bank of India

Balance Sheet as at 31st March 2023

(000s omitted)

	Schedule No.	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
CAPITAL AND LIABILITIES			
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
TOTAL		5516978,52,65	4987597,40,54
ASSETS			
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
TOTAL		5516978,52,65	4987597,40,54
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: 18th 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

Place: Mumbai

Date: 18th May 2023

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

SCHEDULES

forming part of the Balance Sheet as at 31st March 2023

SCHEDULE 1 - CAPITAL

(000s omitted)

	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
Authorised Capital:		
5000,00,00,000 shares of ₹1 each (Previous Year 5000,00,00,000 shares of ₹1 each)	5000,00,00	5000,00,00
Issued Capital:		
892,54,05,164 Equity Shares of ₹1 each (Previous Year 892,54,05,164 Equity Shares of ₹1 each)	892,54,05	892,54,05
Subscribed and Paid-up Capital:		
892,46,11,934 Equity Shares of ₹1 each (Previous Year 892,46,11,534 Equity Shares of ₹1 each)	892,46,12	892,46,12
[The above includes 8,91,60,950 Equity Shares of ₹1 each (Previous Year 10,36,05,740 Equity Shares of ₹1 each) represented by 89,16,095 (Previous Year 1,03,60,574) Global Depository Receipts]		
TOTAL	892,46,12	892,46,12

SCHEDULE 2 - RESERVES & SURPLUS

(000s omitted)

	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
I. Statutory Reserves		
Opening Balance	85568,02,08	76065,22,66
Additions during the year	15069,73,61	9502,79,42
Deductions during the year	-	-
	100637,75,69	85568,02,08
II. Capital Reserves		
Opening Balance	15759,98,23	15221,82,99
Additions during the year	232,80,84	538,15,24
Deductions during the year	-	-
	15992,79,07	15759,98,23
III. Share Premium		
Opening Balance	79115,47,05	79115,47,05
Additions during the year	63	-
Deductions during the year	-	-
	79115,47,68	79115,47,05
IV. Investment Fluctuation Reserve		
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

(000s omitted)

	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
V. Foreign Currency Translation Reserve		
Opening Balance	9960,78,78	9072,39,67
Additions during the year	2794,39,13	888,39,11
Deductions during the year	-	-
	12755,17,91	9960,78,78
VI. Revenue and Other Reserves*		
Opening Balance	51836,11,81	50483,22,45
Additions during the year	2252,30,72	1352,89,36
Deductions during the year	-	-
	54088,42,53	51836,11,81
VII. Revaluation Reserve		
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
	27756,25,90	23377,86,71
VIII. Balance of Profit and Loss Account	24098,71,82	5881,40,49
TOTAL	326715,98,77	279195,59,89

* 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 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
A. I. Demand Deposits		
i) From Banks	3449,99,90	6551,52,93
ii) From Others	295593,04,38	270172,30,80
II. Savings Bank Deposits	1588405,52,42	1526856,80,29
III. Term Deposits		
i) From Banks	6994,90,95	7909,81,63
ii) From Others	2529334,29,98	2240043,66,62
TOTAL	4423777,77,63	4051534,12,27
B. i) Deposits of Branches in India	4253570,79,60	3920200,81,67
ii) Deposits of Branches outside India	170206,98,03	131333,30,60
TOTAL	4423777,77,63	4051534,12,27

SCHEDULES

forming part of the Balance Sheet as at 31st March 2023

SCHEDULE 4 - BORROWINGS

(000s omitted)

	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
I. Borrowings in India		
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
	89132,60,00	71999,60,00
TOTAL	222328,70,40	241028,94,11
II. Borrowings outside India		
i) Borrowings and Refinance outside India	270806,45,22	185014,43,87
ii) Capital Instruments: Innovative Perpetual Debt Instruments (IPDI)	-	-
TOTAL	270806,45,22	185014,43,87
GRAND TOTAL	493135,15,62	426043,37,98
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 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
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
TOTAL	272457,14,51	229931,84,28

* 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 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
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
TOTAL	247087,57,52	318265,20,71

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(000s omitted)

	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
I. In India		
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	-	-
TOTAL	7770,44,34	547,22,08
II. Outside India		
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
TOTAL	53041,59,94	75739,89,32
GRAND TOTAL (I and II)	60812,04,28	76287,11,40

SCHEDULE 8 - INVESTMENTS

(000s omitted)

	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
I. Investments in India in:		
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
TOTAL	1508936,09,15	1428006,09,19
II. Investments outside India in:		
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
TOTAL	61430,13,42	53439,37,79
GRAND TOTAL (I and II)	1570366,22,57	1481445,46,98
III. Investments in India:		
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)	1508936,09,15	1428006,09,19
IV. Investments outside India:		
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)	61430,13,42	53439,37,79
GRAND TOTAL (III and IV)	1570366,22,57	1481445,46,98

* Including Share application money

SCHEDULES

forming part of the Balance Sheet as at 31st March 2023

SCHEDULE 9 - ADVANCES

(000s omitted)

	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
A. 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
TOTAL	3199269,29,68	2733966,59,29
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
TOTAL	3199269,29,68	2733966,59,29
C. I. Advances in India		
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
TOTAL	2708472,62,71	2323718,69,71
II. Advances outside India		
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
TOTAL	490796,66,97	410247,89,58
GRAND TOTAL [C (I) and C (II)]	3199269,29,68	2733966,59,29

SCHEDULE 10 - FIXED ASSETS

(000s omitted)

	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
I. Premises (including Revalued Premises)		
At cost/revalued as at 31 st 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
	32634,45,33	28365,53,11

(000s omitted)

	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
II. Other Fixed Assets (including furniture and fixtures)		
At cost/revalued as at 31 st 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
	9466,27,77	9101,95,71
III. Assets under Construction (Including Premises)	281,07,21	240,67,01
TOTAL (I, II, and III)	42381,80,31	37708,15,83

SCHEDULE 11 - OTHER ASSETS

(000s omitted)

	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
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
TOTAL	397061,58,29	339924,86,33

*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 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
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
TOTAL	1826574,12,43	2007083,44,06

*Includes Derivatives ₹261587,05,11 thousand (Previous Year ₹259459,41,01 thousand)

State Bank of India

Profit and Loss Account for the year ended 31st March 2023

(000s omitted)

	Schedule No.	Year ended 31.03.2023 (Current Year) ₹	Year ended 31.03.2022 (Previous Year) ₹
I. INCOME			
Interest earned	13	332103,06,02	275457,29,04
Other Income	14	36615,59,76	40563,91,40
TOTAL		368718,65,78	316021,20,44
II. EXPENDITURE			
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
TOTAL		318486,20,42	284345,22,39
III. PROFIT			
Net Profit for the year		50232,45,36	31675,98,05
Add: Profit/(Loss) brought forward		5881,40,49	(3600,84,46)
TOTAL		56113,85,85	28075,13,59
IV. APPROPRIATIONS			
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
TOTAL		56113,85,85	28075,13,59
V. EARNINGS PER EQUITY SHARE (Face value ₹1 per share)			
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: 18th 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

Place: Mumbai

Date: 18th May 2023

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

SCHEDULES

forming part of the Profit and Loss Account for the year ended 31st March 2023

SCHEDULE 13 - INTEREST EARNED

(000s omitted)

	Year ended 31.03.2023 (Current Year) ₹	Year ended 31.03.2022 (Previous Year) ₹
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
TOTAL	332103,06,02	275457,29,04

SCHEDULE 14 - OTHER INCOME

(000s omitted)

	Year ended 31.03.2023 (Current Year) ₹	Year ended 31.03.2022 (Previous Year) ₹
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 ¹	5615,36,94	8596,34,84
TOTAL	36615,59,76	40563,91,40

¹ 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 31.03.2023 (Current Year) ₹	Year ended 31.03.2022 (Previous Year) ₹
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
TOTAL	187262,55,56	154749,70,43



SCHEDULE 16 - OPERATING EXPENSES

(000s omitted)

	Year ended 31.03.2023 (Current Year) ₹	Year ended 31.03.2022 (Previous Year) ₹
I. Payments to and provisions for employees ²	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
TOTAL	97743,13,61	93397,51,52

²Payments 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 11th November 2020.

SCHEDULES

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st 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.

SCHEDULES

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st 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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- 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:

Sub-standard Assets:	i. A general provision of 15% on the total outstanding. ii. Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio). iii. Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available – 20%.
Doubtful Assets:	
-Secured portion:	i. Up to one year – 25% ii. One to three years – 40% iii. More than three years – 100%
-Unsecured portion	100%
Loss Assets:	100%.

- 3.4 In respect of foreign offices, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more prudent.
- 3.5 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.
- 3.6 For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans/advances before and after restructuring is provided for, in addition to provision for the respective loans/advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.
- 3.7 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.

- 3.8 Amounts recovered against debts written off in earlier years are 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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- 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 1st 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

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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 31 st March 2023	As at 31 st 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 (%) (CET 1 as a percentage of RWAs)	10.27%	9.94%
viii)	Tier 1 capital ratio (%) (Tier 1 capital as a percentage of RWAs)	12.06%	11.42%
ix)	Tier 2 capital ratio (%) (Tier 2 capital as a percentage of RWAs)	2.62%	2.41%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (%) (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: Basel III compliant Perpetual Debt Instruments	15,133.00	13,974.00
xv)	Amount of Tier 2 capital raised during the year: Basel III compliant Debt Capital instruments	4,000.00	--

RBI vide circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated 1st March 2016, has given discretion to banks to consider Revaluation Reserve, Foreign Currency Translation Reserve and Deferred Tax Asset for purposes of computation of Capital Adequacy as CET- I capital ratio. The Bank has exercised the option in the above computation.

\$ 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 31st March 2023 allotment of 7,93,230 shares is held in abeyance.

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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
Total		49,842.70		

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 (Private placement) Bonds 2013-14 (Tier II)	2,000.00	02.01.2014 02.01.2024	9.69	120
ii)	e-SBM Tier II Basel III compliant	500.00	17.12.2014 17.12.2024	8.55	120
iii)	e -SBP Tier II Basel III compliant (Series I)	950.00	22.01.2015 22.01.2025	8.29	120
iv)	e- SBBJ Tier II Basel III compliant	200.00	20.03.2015 20.03.2025	8.30	120
v)	e -SBH Tier II Basel III compliant (Series XIV)	393.00	31.03.2015 31.03.2025	8.32	120
vi)	e -SBH Tier II Basel III compliant (Series XV)	500.00	30.12.2015 30.12.2025	8.40	120
vii)	e-SBM Tier II Basel III compliant	300.00	31.12.2015 31.12.2025	8.40	120
viii)	e-SBM Tier II Basel III compliant	200.00	18.01.2016 18.01.2026	8.45	120
ix)	e -SBH Tier II Basel III compliant (Series XVI)	200.00	08.02.2016 08.02.2026	8.45	120
x)	SBI Non-Convertible, Unsecured Basel III - Tier II Bonds 2018-19	4,115.90	02.11.2018 02.11.2028	8.90	120
xi)	SBI Non-Convertible, Unsecured Basel III - Tier II Bonds 2019-20	5,000.00	28.06.2019 28.06.2029	7.99	120
xii)	SBI Non-Convertible, Unsecured Basel III -Tier II Bonds 2020-21 Series I	8,931.00	21.08.2020 21.08.2035	6.80	180
xiii)	SBI Non-Convertible, Unsecured Basel III -Tier II Bonds 2020-21 Series II	7,000.00	21.09.2020 21.09.2030	6.24	120
xiv)	SBI Non-Convertible, Unsecured Basel III Tier 2 Bonds 2020-21 Series III	5,000.00	26.10.2020 26.10.2030	5.83	120
vx)	SBI Non-Convertible, Unsecured Basel III Tier 2 Bonds 2022-2023 Series I	4,000.00	23.09.2022 23.09.2032	7.57	180
TOTAL		39,289.90			

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st March 2023

18.2 Asset Liability Management:

a) Maturity pattern of certain items of assets and liabilities as at 31st March 2023

	Day 1	2-7 Days	8-14 Days	15 to 30 Days	Over 31 days and up to 2 months	Over 2 months and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Total
	(₹ in Crore)										
Deposits	62,021.01 (65,464.24)	81,883.25 (79,811.62)	45,827.82 (49,407.77)	64,120.64 (66,029.77)	88,668.79 (74,518.20)	60,036.93 (62,378.97)	1,82,952.43 (1,89,876.16)	10,66,628.66 (9,51,227.96)	9,63,143.94 (8,88,676.97)	5,25,512.40 (4,42,764.54)	44,23,777.78 (40,51,534.12)
Advances	43,124.35 (35,455.14)	18,214.44 (17,489.88)	16,962.84 (21,462.78)	41,105.18 (45,328.82)	79,902.61 (57,802.93)	60,557.90 (59,606.96)	1,89,565.69 (1,53,396.53)	2,38,645.46 (2,20,131.63)	11,55,432.84 (9,63,157.51)	4,33,665.73 (3,58,491.91)	31,99,269.30 (27,33,966.59)
Investments	355.75 (324.55)	1,278.98 (1,146.46)	4,552.48 (4,577.73)	17,717.98 (3,851.73)	50,026.23 (9,930.25)	25,047.13 (21,605.55)	62,332.71 (58,778.27)	1,86,969.71 (96,380.18)	2,61,846.37 (3,88,944.97)	2,38,318.28 (2,54,458.06)	15,70,366.23 (14,81,445.47)
Borrowings	21.11 (58.99)	1,05,533.97 (1,50,299.24)	16,840.87 (7,992.20)	28,535.79 (12,734.96)	27,044.48 (18,023.76)	37,140.22 (16,628.14)	47,064.18 (27,877.17)	55,395.05 (21,910.67)	66,095.16 (86,386.10)	53,366.85 (60,331.41)	4,93,135.16 (23,800.74)
Foreign Currency Assets*	11,699.08 (10,959.11)	8,291.75 (7,939.73)	8,689.76 (12,880.42)	21,566.10 (25,295.77)	40,420.48 (31,319.50)	42,014.10 (32,758.84)	93,188.46 (60,542.17)	73,245.98 (58,350.82)	1,38,699.09 (1,29,602.34)	1,08,321.98 (80,642.55)	6,08,108.41 (5,14,097.92)
Foreign Currency Liabilities [§]	24,828.68 (30,609.40)	10,034.84 (9,560.59)	9,639.00 (9,743.65)	30,962.01 (17,542.84)	44,476.12 (22,526.37)	50,917.06 (26,932.35)	74,840.99 (43,668.69)	82,402.52 (56,277.39)	74,915.44 (70,303.27)	54,743.19 (46,238.82)	4,86,136.50 (21,258.68)

* Foreign Currency Assets represent advances and investments.

§ Foreign Currency Liabilities represent borrowings and deposits.

(Figures in brackets are as at 31st 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 2B assets are with 15% and 50% haircuts respectively.

The total net cash outflow is the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days.

Total expected cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by the rates at which they are expected to run off or be drawn down.

Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in up to an aggregate cap of 75% of total expected cash outflows.

Quantitative Disclosure:

(₹ in Crore)

Liquidity Coverage Ratio (State Bank of India - Standalone)										
LCR COMPONENTS	Quarter ended 31 st March 2023		Quarter ended 31 st December 2022		Quarter ended 30 th September 2022		Quarter ended 30 th June 2022		Quarter ended 31 st March 2022	
	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets (HQLA)										
1. Total High Quality Liquid Assets (HQLA)		12,13,100		11,73,646		11,94,963		11,94,891		11,26,684
Cash Outflows										
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
Cash Inflows										
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 31st 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 31st 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 31st 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 31st 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 31 st March 2023		Quarter ended 31 st December 2022		Quarter ended 30 th September 2022		Quarter ended 30 th June 2022		Quarter ended 31 st March 2022	
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
	Unweighted Value (Average)**	Weighted Value (Average)	Unweighted Value (Average)**	Weighted Value (Average)	Unweighted Value (Average)**	Weighted Value (Average)	Unweighted Value (Average)**	Weighted Value (Average)	Unweighted Value (Average)**	Weighted Value (Average)
High Quality Liquid Assets (HQLA)										
1. Total High Quality Liquid Assets (HQLA)		12,25,975		11,85,275		12,21,055		12,01,176		11,32,828
Cash Outflows										
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. Total Cash Outflows	55,45,546	13,52,917	53,34,229	14,64,621	53,57,406	14,84,062	52,77,520	14,78,954	50,84,784	13,35,760
Cash Inflows										
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. Total Cash Inflows	5,88,310	5,26,233	6,11,235	5,55,667	6,36,198	5,61,511	7,42,519	6,11,153	6,29,697	5,16,572
13. Total HQLA		12,25,975		11,85,275		12,21,055		12,01,176		11,32,828
14. Total Net Cash Outflows		8,26,684		9,08,954		9,22,552		8,67,801		8,19,188
15. Liquidity Coverage Ratio(%)		148.30%		130.40%		132.36%		138.42%		138.29%

** 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.

$$\text{NSFR} = \frac{\text{Available Stable Funding (ASF)}}{\text{Required Stable Funding (RSF)}} \geq 100\%$$

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st March 2023

Quantitative Disclosure: The following tables contain unweighted and weighted values of NSFR components of SBI (Solo) as at 31st March 2023, 31st December 2022, 30th September 2022 and 30th June 2022 (i.e. quarter end observations) :

(₹ in Crore)

NSFR Components	Net Stable Funding Ratio (State Bank of India - Standalone)									
	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	
ASF Item										
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
RSF Item										
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)

NSFR Components	Net Stable Funding Ratio (State Bank of India - Standalone)									
	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	-	-	-	-	1,044	-
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 17th 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 31st 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 1st October 2021. As on 31st 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 31st March 2023 over 31st 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 31st 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 st March 2023					31 st 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 31st March 2023

(₹ in Crore)

NET STABLE FUNDING RATIO (State Bank of India Group)											
Statements for the Quarter ending		30 th September 2022					30 th 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 17th 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 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
Held to Maturity												
	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
	-	-	8.00	-	42.87	-	50.87	-	-	6.66	6.66	57.53
Net	9,20,090.06	-	-	31,374.37	6,240.23	1,645.38	9,59,350.04	804.03	5,680.22	127.24	6,611.49	9,65,961.53
Available for Sale												
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
Net	3,18,568.17	-	14,046.90	1,82,018.40	7,810.00	27,430.94	5,49,874.40	29,255.17	-	25,563.48	54,818.65	6,04,693.05
Held for Trading												
Gross	(326.93) [@]	-	40.99	-	-	-	(285.94)	-	-	-	-	(285.94)
Less: Provision for depreciation and NPI	2.37	-	0.04	-	-	-	2.41	-	-	-	-	2.41
Net	(329.30)	-	40.95	-	-	-	(288.35)	-	-	-	-	(288.35)
Total Investments												
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
Net	12,38,328.92	-	14,087.85	2,13,392.77	14,050.23	29,076.32	15,08,936.09	30,059.20	5,680.22	25,690.72	61,430.14	15,70,366.23

* includes LICRA

© Short sale

SCHEDULES

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st March 2023

Previous Year

(₹ in Crore)												
Composition of Investments as at 31st March 2022	Investments in India						Total investments in India	Investments outside India			Total investments outside India	Whole Bank Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or Joint Ventures	Others						
Held to Maturity												
Gross	8,33,382.82	-	8.00	33,741.28	6,205.26	1,490.06	8,74,827.42	794.14	5,028.44	133.94	5,956.52	8,80,783.94
Less: Provision for non- performing investments (NPI)	-	-	8.00	-	2.87	-	10.87	-	-	-	-	10.87
Net	8,33,382.82	-	-	33,741.28	6,202.39	1,490.06	8,74,816.55	794.14	5,028.44	133.94	5,956.52	8,80,773.07
Available for Sale												
Gross	3,29,274.86	-	13,770.82	1,84,479.80	7,810.00	29,951.22	5,65,286.72	18,967.40	-	28,613.65	47,581.06	6,12,867.75
Less: Provision for depreciation and NPI	-	-	1,356.19	2,416.66	-	7,859.04	11,631.89	32.61	-	65.58	98.19	11,730.08
Net	3,29,274.86	-	12,414.63	1,82,063.14	7,810.00	22,092.19	5,53,654.81	18,934.79	-	28,548.07	47,482.86	6,01,137.67
Held for Trading												
Gross	(475.04) [®]	-	9.77	-	-	-	(465.27)	-	-	-	-	(465.27)
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	(475.04)	-	9.77	-	-	-	(465.27)	-	-	-	-	(465.27)
Total Investments												
Gross	11,62,182.64	-	13,788.59	2,18,221.08	14,015.26	31,441.28	14,39,648.85	19,761.54	5,028.44	28,747.59	53,537.57	14,93,186.42
Less: Provision for non- performing investments (NPI)*	-	-	1,197.31	879.00	-	-	2,076.31	-	-	56.34	56.34	2,132.65
Less: Provision for depreciation*	-	-	166.88	1,537.66	2.87	7,859.04	9,566.45	32.61	-	9.24	41.85	9,608.30
Net	11,62,182.64	-	12,424.40	2,15,804.42	14,012.39	23,582.24	14,28,006.09	19,728.93	5,028.44	28,682.01	53,439.38	14,81,445.47

* includes LICRA

® Short sale

- 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 26th 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 31st 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 31st 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 31st 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 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.
- vii. During the year ended 31st 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 31st 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	-	-
Closing balance	12,271.38	7,695.95
iii. Closing balance of investments in AFS and HFT category	6,13,569.08	6,00,672.40
iv. Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT category	2.00%	1.28%

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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
Closing balance	3,215.69	2,276.71
Total provisions held in respect of above	3,066.55	2,070.06

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
Total		3,32,037.31	3,19,262.83	1,58,259.56	1,60,266.51	3,643.40	8,180.49	383.46	192.52	398.62	745.21

* 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 st March 2023
Securities sold under Repo				
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	-
Securities purchased under Reverse Repo				
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 st March 2022
Securities sold under Repo				
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	-	-	-	-
Securities purchased under Reverse Repo				
i) Government Securities	44.03	1,89,095.58	1,00,304.84	60,888.22
ii) Corporate Debt Securities	-	-	-	-
iii) Any other Securities	-	-	-	-

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18.4 Asset Quality

a) Classification of Advances and provisions held

Current Year

(₹ in Crore)

	Standard Advances	Sub-standard Advances	Doubtful Advances	Loss Advances	Total Non-Performing Advances	Total
Gross Standard Advances and NPAs						
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
Closing balance (A+B-C)	31,78,314.03	12,665.08	51,204.29	27,058.41	90,927.78	32,69,241.81
* 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
Provisions (excluding Floating Provisions)						
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
Closing balance of provisions held	25,673.65 \$\$	2,551.32	39,659.80	27,058.41	69,269.53	94,943.18
Net NPAs						
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	
Closing Balance		10,113.76	11,352.88	-	21,466.64 §	

§ 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 Advances	Sub-standard Advances	Doubtful Advances	Loss Advances	Total Non-Performing Advances	Total
Gross Standard Advances and NPAs						
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
Closing balance (A+B-C)	27,06,647.54	15,453.17	68,592.40	27,977.80	1,12,023.37	28,18,670.91
*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
Provisions (excluding Floating Provisions)						
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
Closing balance of provisions held	19,972.61^{\$\$}	4,486.76	51,401.48	27,977.80	83,866.05	1,03,838.65
Net NPAs						
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	
Closing Balance		10,966.41	16,999.30	-	27,965.71^{\$}	

\$ 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	-	-
Closing balance of floating provisions	193.75	193.75

Technical write-offs and the recoveries made thereon:

(₹ in Crore)

Particulars	Current Year	Previous Year
Opening balance of Technical/Prudential written-off accounts	-	-
Add: Technical/Prudential write-offs during the year	-	-
Less: Recoveries made from previously technical/prudential written-off accounts during the year	-	-
Closing balance	-	-

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forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st 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	Previous Year
1.	Total Assets	6,07,517.76	5,31,255.45
2.	Total NPAs (Gross)	1,951.47	2,264.82
3.	Total Revenue	20,735.96	9,279.41

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	2	577	-	-
Sub-standard	1	137	-	-
Doubtful	6	988	8	2,690
Total	9	1,702	8	2,690

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 1st 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 31st March 2022, based on the conditions mentioned in RBI circular No. DOR. ACC.REC.No.74/21.04.018/2022-23 dated 11th 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 24th September 2021:
Transfer of Loans:

- i) The details of the Non-Performing Assets transferred during the year ended 31st 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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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 31st 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 31st March 2023.

Provision held on the security receipts as on 31st March 2023 is ₹7,009.38 Crore (as on 31st 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 31st March 2023 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)	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 31st March 2023, in terms of RBI Circular DOR. No. BP.BC/3/21.04.048/2020-21 dated 6th August 2020 (Resolution Framework 1.0) and DOR.STR.REC.11/21.04.048/2021-22 dated 5th May 2021 (Resolution Framework 2.0) are:

(₹ in Crore)

Sr. No.	Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year	(B) Of (A), aggregate debt that slipped into NPA during the half-year	(C) Of (A) amount written off during the half-year	(D) Of (A) amount paid by the borrowers during the half-year	(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
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	-	-	-	-	-
	Total	27,336	1,608	-	1,426	24,302

(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
I) Direct exposure		
i) Residential Mortgages		
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
ii) Commercial Real Estate		
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
iii) Investments in Mortgage-Backed Securities (MBS) and other securitised exposures:		
a) Residential	-	-
b) Commercial Real Estate	-	-
II) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	1,28,006.76	96,802.79
Total Exposure to Real Estate Sector	7,29,163.50	6,24,993.35

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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
Total Exposure to Capital Market	27,494.19	22,891.40

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	As at	As at	As at
	31 st March 2023	31 st March 2022	31 st March 2023	31 st 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
Total	3,54,703.98	3,16,062.23	196.15	165.12

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 31st 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 31st 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 [#]	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

[#]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 31st 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
Total		13,024	8,43,159.97		

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 [@]	17,269.22 [@]	47,965.32 [#]	54,974.80 [#]
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 31st March 2023 amounted to ₹40,744.08 Crore (Previous Year ₹44,366.06 Crore) and the derivatives done between SBI Foreign Offices as on 31st 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 31st 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
Closing balance of amounts transferred to DEA Fund	8,952.21	4,513.87

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
Complaints received by the bank from its customers			
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
Maintainable complaints received by the bank from Office of Ombudsman			
5.	Number of maintainable complaints received by the bank from Office of Ombudsman	31,038 [@]	45,693 [#]
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, (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
Current Year					
ATM/ Debit Card	65,097	14,94,562	-20.66	49,435	-
Internet Banking/ Mobile/ 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 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
Total	1,82,212	38,63,085	11.88	1,35,112	64,151
Previous Year					
ATM/ Debit Card	64,100	18,83,728	4.38	65,097	30,313
Internet Banking/ Mobile/ 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 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
Total	1,46,280	34,52,782	10.26	1,82,212	1,06,327

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 31st 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
Total	2,438.55	1,889.25

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
Total	1,203.31	981.70

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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
Total	2,02,000.00	1,38,000.00

The Bank did not sell any PSLC during the year ended 31st March 2023 and 31st 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
Total	33,480.52	36,198.00

f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

RBI vide Circular DBR.BP.BC.No.29/21.07.001/2018-19 dated 22nd 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 11th Bi-Partite settlement and Joint Note dated 11th 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 31st 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
Change in the present value of the defined benefit obligation				
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 st March 2023	1,56,966.26	1,46,124.99	12,390.48	12,714.22
Change in Plan Assets				
Opening fair value of Plan Assets as at 1 st 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 st March 2023	1,33,148.54	1,30,590.73	11,065.66	10,925.06
Reconciliation of present value of the obligation and fair value of the plan assets				
Present Value of Funded obligation at 31 st March 2023	1,56,966.26	1,46,124.99	12,390.48	12,714.22
Fair Value of Plan assets at 31 st 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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(₹ in Crore)

Particulars	Pension Plan		Gratuity Plan	
	Current Year	Previous Year	Current Year	Previous Year
Amount Recognised in the Balance Sheet				
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
Net Cost recognized in the profit and loss account				
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
Reconciliation of expected return and actual return on Plan Assets				
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
Reconciliation of opening and closing net liability/(asset) recognized in Balance Sheet				
Opening Net Liability/(Asset) as at 1 st 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 31st March 2023 are as follows:

Category of Assets	Pension Fund % of Plan Assets	Gratuity Fund % 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%
Total	100.00%	100.00%

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 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	12,189.05	12,852.56	13,447.17	12,714.22	12,390.48
Fair value of Plan Assets at the 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 Balance Sheet	1,863.05	2,281.61	2,496.94	1,789.16	1,324.82

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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: -

Particulars	Provident Fund	
	Current Year	Previous Year
(₹ in Crore)		
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1 st 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 st March 2023	38,236.80	36,730.00
Change in Plan Assets		
Opening fair value of Plan Assets as at 1 st 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 st March 2023	39,210.05	37,632.85
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at 31 st March 2023	38,236.80	36,730.00
Fair Value of Plan assets at 31 st 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
Net Cost recognized in the profit and loss account		
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
Reconciliation of opening and closing net liability/(asset) recognized in the Balance Sheet		
Opening Net Liability as at 1 st 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 31st March 2023 are as follows:

Category of Assets	Provident Fund % 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%
Total	100.00%

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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 31st 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 1st 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 (Privilege Leave)	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1 st 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 st March 2023	11,068.33	10,372.37
Net Cost recognized in the profit and loss account		
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 "Payments to and provisions for employees"	1,826.13	3,582.22

(₹ in Crore)

Particulars	Accumulating Compensated Absences (Privilege Leave)	
	Current Year	Previous Year
Reconciliation of opening and closing net liability/(asset) recognized in the Balance Sheet		
Opening Net Liability as at 1 st 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:

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i) Treasury

The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.

ii) Corporate/Wholesale Banking

The Corporate/Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices.

iii) Retail Banking

The Retail Banking Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs.

iv) Other Banking business

Segments not classified under (i) to (iii) above are classified under this primary segment.

II. Secondary (Geographical Segment)

- i) Domestic Operations - Branches/Offices having operations in India
- ii) Foreign Operations - Branches/Offices having operations outside India and offshore Banking units having operations in India

III. Pricing of Inter-segmental Transfers

The Retail Banking segment is the primary resource mobilising unit. The Corporate/Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

IV. Allocation of Expenses, Assets and Liabilities

Expenses incurred at Corporate Centre establishments directly attributable either to Corporate/Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

The Bank has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

2. Segment Information

Part A: Primary (Business Segments)

(₹ in Crore)

Business Segment	Treasury	Corporate/ Wholesale Banking	Retail Banking			Other Banking Operations	Total
			Digital Banking	Other retail Banking	Total		
Revenue (before exceptional items) #	1,01,933.92 (1,00,000.05)	98,038.91 (74,379.36)	3,697.02	1,63,216.12	1,66,913.14 (1,38,504.95)	- (-)	3,66,885.97 (3,12,884.36)
Unallocated Revenue #							1,832.69 (3,136.84)
Total Revenue #							3,68,718.66 (3,16,021.20)
Result (before exceptional items) #	9,470.88 (13,654.90)	29,049.75 (26,959.15)	4,731.53	28,507.95	33,239.48 (12,541.38)	- (-)	71,760.11 (53,155.43)
Add: Exceptional Items #							- (-7,418.39)
Result (after exceptional items) #							71,760.10 (45,737.04)
Unallocated Income(+)/ Expenses(-) - net #							-4,554.47 (-2,315.19)
Profit before tax #							67,205.64 (43,421.85)
Tax #							16,973.19 (11,745.87)
Extraordinary Profit #							Nil Nil
Net Profit #							50,232.45 (31,675.98)
Other Information:							
Segment Assets *	16,65,482.35 (16,13,186.75)	14,92,904.65 (13,02,237.02)	52,647.74	22,57,802.67	23,10,450.41 (20,21,244.45)	- (-)	54,68,837.41 (49,36,668.22)
Unallocated Assets *							48,141.12 (50,929.19)
Total Assets *							55,16,978.53 (49,87,597.41)
Segment Liabilities *	15,24,002.00 (14,68,058.66)	14,57,595.81 (12,74,940.11)	4,90,464.77	15,62,424.59	20,52,889.36 (18,48,288.43)	- (-)	50,34,487.17 (45,91,287.20)
Unallocated Liabilities *							1,54,882.91 (1,16,222.15)
Total Liabilities *							51,89,370.08 (47,07,509.35)

(Figures in brackets are for previous year).

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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 31st March 2023.

* As at 31st March 2023.

As per RBI Circular DOR. AUT.REC.12/22.01.001/2022-23 dated 7th 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 26th 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 30th November 2022)

B. JOINTLY CONTROLLED ENTITIES

1. C-Edge Technologies Ltd.
2. Jio Payments Bank Ltd. (upto 22nd 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

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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. 23rd 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 31st 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. 07th 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/ Joint Ventures	Key Management Personnel & their relatives	Total	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Outstanding as at	31st March 2023			31st March 2022		
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/ Joint Ventures	Key Management Personnel & their relatives	Total	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Maximum outstanding	During FY2022-23			During FY2021-22		
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
During the year	During FY2022-23			During FY2021-22		
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 31 st March 2023	As at 31 st 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
Total	75.30	149.04

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).

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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
Basic and diluted		
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:

Particulars	(₹ in Crore)	
	As at 31 st March 2023	As at 31 st March 2022
Deferred Tax Assets (DTA)		
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
Total	21,600.24	16,744.47
Deferred Tax Liabilities (DTL)		
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
Total	11,066.03	10,499.75
Net Deferred Tax Assets/(Liabilities)	10,534.21	6,244.72

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 (₹ in Crore)	Country of Residence	Holding %
1.	C - Edge Technologies Ltd.	4.90 (4.90)	India	49% (49%)
2.	SBI Macquarie Infrastructure Management Pvt. Ltd.	18.57 (18.57)	India	45% (45%)
3.	SBI Macquarie Infrastructure Trustee Pvt. Ltd.	0.03 (0.03)	India	45% (45%)
4.	Maquarie SBI Infrastructure Management Pte. Ltd.	2.25 (2.25)	Singapore	45% (45%)
5.	Macquarie SBI Infrastructure Trustee Ltd. #	- (-)	Bermuda	45% (45%)
6.	Oman India Joint Investment Fund - Management Company Pvt. Ltd.	2.30 (2.30)	India	50% (50%)
7.	Oman India Joint Investment Fund - Trustee Company Pvt. Ltd.	0.01 (0.01)	India	50% (50%)
8.	Jio Payments Bank ^{ss}	- (79.08)	India	- (30%)
Total		28.06 (107.14)		

Indirect holding through Maquarie SBI Infra Management Pte. Ltd., against which the Company has made 100% provision on investments.

^{ss} 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)

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As required by AS 27, the aggregate amount of the assets, liabilities, income, expenses, contingent liabilities and commitments related to the Bank's interests in jointly controlled entities are disclosed as under:

(₹ in Crore)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Liabilities		
Capital & Reserves	220.31	236.69
Deposits	-	5.69
Borrowings	-	7.48
Other Liabilities & Provisions	41.58	48.20
Total	261.89	298.06
Assets		
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
Total	261.89	298.06
Capital Commitments	-	-
Other Contingent Liabilities	1.49	1.91
Income		
Interest earned	8.27	7.41
Other income	188.40	171.75
Total	196.67	179.16
Expenditure		
Interest expended	0.18	0.11
Operating expenses	152.52	148.60
Provisions & contingencies	15.18	12.62
Total	167.88	161.33
Profit	28.79	17.83

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:

Particulars	(₹ in Crore)	
	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
Closing balance	3,109.95	3,664.18

SCHEDULES

forming part of the Balance Sheet and Profit and Loss Account for the year ended 31st 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 31st 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 5th 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 31st 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 23rd June 2017 and 28th August 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the bank is holding total provision of ₹3,935.48 Crore (100% of total outstanding) as on 31st 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 31st March 2023 ₹2,490.00 Crore) for the year ended 31st March 2023 towards arrears of wages due for revision w.e.f. 1st 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 31st 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 31st 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 31st March 2023

(000s omitted)

Particulars	Year ended 31.03.2023 (FY22-23) ₹	Year ended 31.03.2022 (FY21-22) ₹
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before Taxes	67205,63,25	43421,85,36
Adjustments for:		
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
	97216,50,90	76149,24,68
Adjustments for:		
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
	(75999,06,08)	66227,81,64
Tax refund/(Taxes paid)	(15352,75,44)	(7812,36,34)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	A (91351,81,52)	58415,45,30
CASH FLOW FROM INVESTING ACTIVITIES:		
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
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	B (3297,03,67)	(2612,71,77)

(000s omitted)

Particulars	Year ended 31.03.2023 (FY22-23) ₹	Year ended 31.03.2022 (FY21-22) ₹
CASH FLOW FROM FINANCING ACTIVITIES:		
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)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	C 5201,75,75	(5177,51,48)
EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE	D 2794,39,13	888,39,12
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)	(86652,70,31)	51513,61,17
CASH AND CASH EQUIVALENTS AS AT 1ST APRIL	394552,32,11	343038,70,94
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH	307899,61,80	394552,32,11
Notes:		
★ 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:	31.03.2023	31.03.2022
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
	307899,61,80	394552,32,11
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: 18th 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: 18th 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 31st 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 31st 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 31st 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
i.	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): Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances. Advances constitute 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. 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. The bank is in the continuous process to upgrade existing & 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 14th 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. 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. The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed. Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/judgement involved in valuation of securities 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. Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.	Our audit approach towards advances with reference to the IRAC norms and other related circulars/directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of controls on sample basis - 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; - 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; - Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars/ Guidelines/ Judicial pronouncements; - 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. - 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 - We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection. - In carrying out substantive procedures at the branches 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. - We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision; - Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication. - 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.

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
ii.	Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements): Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities. Investments constitute 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. 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. Accordingly, our audit was focused on valuation of investments, classification, identification of non-performing investments and provisioning related to investments.	Our audit approach towards Investments with reference to the RBI Circulars/directives included the 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; - 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; - We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments; - 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; - We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision; - 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; - 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.

Independent Auditors' Report

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
iii.	Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 18.13 of Schedule 18 to the financial statements): There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own 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. 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.	Our audit approach involved: - Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances; - Understanding the current status of the litigations/ tax assessments including the status upto the date of auditor's report; - Examining recent orders and/or communication received from various tax authorities/judicial forums and follow up action thereon; - 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; - 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 - Verification of disclosures related to significant litigations and taxation matters.

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 regard.

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 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 31st 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 17th 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 31st 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: 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: 18th 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 17th 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 31st 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 31st 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

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For Suri & Co.

Chartered Accountants
Firm Regn. No. 004283S

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For Gokhale & Sathe

Chartered Accountants
Firm Regn. No. 103264W

CA Jayant Gokhale

Partner: M. No. 033767
UDIN: 23033767BGZMFV1971

Place: Mumbai

Date: 18th May 2023

For ASA & Associates LLP

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Firm Regn. No. 009571N/N500006

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For V Singhi & Associates

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CA Aniruddha Sengupta

Partner: M. No. 051371
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For Ravi Rajan & Co. LLP

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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

State Bank of India

Consolidated Balance Sheet as at 31st March 2023

(000s omitted)

	Schedule No.	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
CAPITAL AND LIABILITIES			
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
TOTAL		5954418,31,70	5360883,52,94
ASSETS			
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
TOTAL		5954418,31,70	5360883,52,94
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: 18th May 2023

SCHEDULES

forming part of the Consolidated Balance Sheet as at 31st March 2023

SCHEDULE 1 - CAPITAL

(000s omitted)

	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
Authorised Capital:		
5000,00,00,000 Equity shares of ₹1/- each (Previous Year 5000,00,00,000 Equity shares of ₹1/- each)	5000,00,00	5000,00,00
Issued Capital:		
892,54,05,164 Equity shares of ₹1/- each (Previous Year 892,54,05,164 Equity shares of ₹1/- each)	892,54,05	892,54,05
Subscribed and Paid up Capital:		
892,46,11,934 Equity shares of ₹1/- each (Previous Year 892,46,11,534 Equity shares of ₹1/- each)	892,46,12	892,46,12
[The above includes 891,60,950 Equity shares of ₹1/- each (Previous Year 1036,05,740 Equity shares of ₹1/- each) represented by 89,16,095 (Previous Year 103,60,574) Global Depository Receipts]		
TOTAL	892,46,12	892,46,12

SCHEDULE 2 - RESERVES & SURPLUS

(000s omitted)

	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
I. Statutory Reserves		
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
II. Capital Reserves		
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
III. Share Premium		
Opening Balance	79115,47,05	79115,47,05
Additions during the year	63	-
Deductions during the year	- 79115,47,68	- 79115,47,05
IV. Investment Fluctuation Reserve		
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 31st March 2023

	(000s omitted)	
	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
V. Foreign Currency Translation Reserve		
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
VI. Revenue and Other Reserves		
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
VII. Revaluation Reserve		
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
VIII. Capital Reserve on Consolidation		
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
IX. Balance in Profit and Loss Account	41923,30,28	20394,35,05
TOTAL	358038,85,69	304695,58,39

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 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
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
Minority Interest on the date of balance sheet	12836,61,94	11207,42,28

SCHEDULE 3 - DEPOSITS

(000s omitted)

	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
A) I) Demand Deposits		
i) From Banks	3160,40,31	6328,02,10
ii) From Others	302572,94,64	273403,37,96
II) Savings Bank Deposits	1600786,08,97	1539980,57,43
III) Term Deposits		
i) From Banks	7611,65,56	8971,36,01
ii) From Others	2554404,41,20	2258727,26,56
TOTAL	4468535,50,68	4087410,60,06
B) i) Deposits of Branches in India	4248617,47,94	3917357,59,34
ii) Deposits of Branches outside India	219918,02,74	170053,00,72
TOTAL	4468535,50,68	4087410,60,06

SCHEDULE 4 - BORROWINGS

(000s omitted)

	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
I) Borrowings in India		
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
TOTAL	251379,74,61	263674,66,73
II) Borrowings outside India		
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	164,61,80
TOTAL	269772,20,37	185485,11,63
GRAND TOTAL	521151,94,98	449159,78,36
Secured Borrowings included in I & II above	147932,42,29	188360,08,98

SCHEDULES

forming part of the Consolidated Balance Sheet as at 31st March 2023

SCHEDULE 5 - OTHER LIABILITIES & PROVISIONS

	(000s omitted)	
	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
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
TOTAL	592962,92,29	507517,67,73

* 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 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
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
TOTAL	247321,04,97	318492,43,01

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

	(000s omitted)	
	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
I. In India		
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	-	-
TOTAL	13428,05,05	5323,90,84
II. Outside India		
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
TOTAL	57562,80,95	75088,78,32
GRAND TOTAL (I and II)	70990,86,00	80412,69,16

SCHEDULE 8 - INVESTMENTS

(000s omitted)

	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
I. Investments in India in:		
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
TOTAL	1847847,96,72	1719178,65,53
II. Investments outside India in:		
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
TOTAL	65259,88,92	57311,24,35
GRAND TOTAL (I and II)	1913107,85,64	1776489,89,88
III. Investments in India:		
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)	1847847,96,72	1719178,65,53
IV. Investments outside India:		
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)	65259,88,92	57311,24,35
GRAND TOTAL (III and IV)	1913107,85,64	1776489,89,88
# Investment in Associates (In India and Outside India)		
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	9338,62,45	9259,54,44
Add: Post-acquisition profit/(loss) and Reserve of Associates (Equity Method)	6846,58,91	5498,61,05
TOTAL	16185,21,36	14758,15,49

\$ including Share Application Money

SCHEDULES

forming part of the Consolidated Balance Sheet as at 31st March 2023

SCHEDULE 9 - ADVANCES

(000s omitted)

	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
A. 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
TOTAL	3267902,12,73	2794076,00,18
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
TOTAL	3267902,12,73	2794076,00,18
C. I) Advances in India		
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
TOTAL	2734268,98,99	2346863,23,78
II) Advances outside India		
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
TOTAL	533633,13,74	447212,76,40
GRAND TOTAL [C (I) and C (II)]	3267902,12,73	2794076,00,18

SCHEDULE 10 - FIXED ASSETS

(000s omitted)

	As at 31.03.2023 (Current Year) ₹		As at 31.03.2022 (Previous Year) ₹	
I. Premises (including Revalued Premises)				
At cost/revalued as at 31 st 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
IA. Premises under construction	317,54,60		252,96,55	
II. Other Fixed Assets (including furniture and fixtures)				
At cost/revalued as at 31 st 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
IIA. Leased Assets				
At cost/revalued as at 31 st 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
TOTAL (I, IA,II and IIA)	44341,36,06		39482,46,37	
III. Capital Work-in progress (including Leased Assets) net of Provisions	66,02,04		27,56,68	
TOTAL (I, IA, II, IIA and III)	44407,38,10		39510,03,05	

SCHEDULES

forming part of the Consolidated Balance Sheet as at 31st March 2023

SCHEDULE 11 - OTHER ASSETS

(000s omitted)

	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
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
TOTAL	410689,04,26	351902,47,66

SCHEDULE 12 - CONTINGENT LIABILITIES

(000s omitted)

	As at 31.03.2023 (Current Year) ₹	As at 31.03.2022 (Previous Year) ₹
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 ^{\$}	277960,94,11	270360,15,88
TOTAL[#]	1835524,38,19	2007232,49,00

^{\$} includes Derivatives ₹261767,19,24 thousand (Previous Year ₹259688,85,67 thousand)

[#] ₹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 31st March 2023

		(000s omitted)	
	Schedule No.	Year ended 31 st March 2023 (Current Year) ₹	Year ended 31 st March 2022 (Previous Year) ₹
I. INCOME			
Interest earned	13	350844,58,01	289972,68,60
Other Income	14	122533,56,11	117000,40,37
TOTAL		473378,14,12	406973,08,97
II. EXPENDITURE			
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
TOTAL		416819,71,13	370616,91,83
III. PROFIT			
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
TOTAL		76042,52,33	43470,42,10
IV. APPROPRIATIONS			
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
TOTAL		76042,52,33	43470,42,10
V. EARNINGS PER EQUITY SHARE (Face value ₹ 1 per share)			
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: 18th May 2023

SCHEDULES

forming part of the Consolidated Profit and Loss Account for the year ended 31st March 2023

SCHEDULE 13 - INTEREST EARNED

(000s omitted)

	Year ended 31.03.2023 (Current Year) ₹	Year ended 31.03.2022 (Previous Year) ₹
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
TOTAL	350844,58,01	289972,68,60

SCHEDULE 14 - OTHER INCOME

(000s omitted)

	Year ended 31.03.2023 (Current Year) ₹	Year ended 31.03.2022 (Previous Year) ₹
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
TOTAL	122533,56,11	117000,40,37

SCHEDULE 15 - INTEREST EXPENDED

(000s omitted)

	Year ended 31.03.2023 (Current Year) ₹	Year ended 31.03.2022 (Previous Year) ₹
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
TOTAL	189980,81,67	156194,34,41

SCHEDULE 16 - OPERATING EXPENSES

(000s omitted)

	Year ended 31.03.2023 (Current Year) ₹	Year ended 31.03.2022 (Previous Year) ₹
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
TOTAL	189814,48,59	174363,42,58

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 11th November 2020

SCHEDULES

forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31st 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:

- Financial statements of State Bank of India (Parent).
- Line by line aggregation of each item of asset/ liability/ income/ expense of the subsidiaries with the respective item of the Parent. 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.
- 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.
- Accounting for investment in 'Associates' under the 'Equity Method' as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI.

- The difference between cost to the group of its investment in the subsidiary entities and the group's portion of the equity of the subsidiaries is recognized in the financial statements as goodwill/capital reserve.

- Minority interest in the net assets of the consolidated subsidiaries consists of:

- The amount of equity attributable to the minority shareholders at the date on which the investment in the equity shares of the subsidiary is made, and
- 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

SCHEDULES

forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31st March 2023

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. 1st 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.

SCHEDULES

forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31st March 2023

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 4th 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:

Sub-standard Assets:	i. A general provision of 15% on the total outstanding; ii. Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio); iii. Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available - 20%.
Doubtful Assets:	
- Secured portion:	i. Up to one year - 25% ii. One to three years - 40% iii. More than three years - 100%
- Unsecured portion	100%
Loss Assets:	100%.

3.4 In respect of foreign offices/entities, the classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more 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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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 1st 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 22nd 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 31st 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 31st 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 31st 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 31st 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 31st March 2023.
 - b) State Bank Operations Support Services Pvt. Ltd. has been incorporated on 26th 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 31st 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 31st 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 31st 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 30th 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 30th September 2022. Accordingly, it has been excluded from consolidation in preparation of Consolidated Financial Statements from 1st 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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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
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation at 1 st April 2022	1,46,124.99	1,25,806.37	13,035.01	13,727.65
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)	-	-
Closing defined benefit obligation at 31st March 2023	1,56,966.26	1,46,124.99	12,759.77	13,035.01
Change in Plan Assets				
Opening fair value of plan assets at 1 st April 2022	1,30,590.73	1,06,445.86	11,222.46	11,210.84
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)
Closing fair value of plan assets at 31st March 2023	1,33,148.54	1,30,590.73	11,397.87	11,222.46
Reconciliation of present value of the obligation and fair value of the plan assets				
Present Value of funded obligation at 31 st March 2023	1,56,966.26	1,46,124.99	12,759.77	13,035.01
Fair Value of plan assets at 31 st 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	-	-	-	-
Net Liability/(Asset)	23,817.72	15,534.26	1,361.90	1,812.55

(₹ in Crore)

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Amount Recognised in the Balance Sheet				
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	-	-	-	-
Net Liability/(Asset)	23,817.72	15,534.26	1,361.90	1,812.55
Net Cost recognized in the profit and loss account				
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
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	16,303.18	23,600.95	1,036.48	800.00
Reconciliation of expected return and actual return on Plan Assets				
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	5,234.18	6,907.81	473.65	687.28
Reconciliation of opening and closing net liability/(asset) recognized in Balance Sheet				
Opening Net Liability/(Asset) as at 1 st April 2022	15,534.26	19,360.51	1,812.55	2,516.81
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)
Net liability/(Asset) recognized in Balance Sheet	23,817.72	15,534.26	1,361.90	1,812.55

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Investments under Plan Assets of Gratuity Fund & Pension Fund as on 31st 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%
Total	100.00%	100.00%

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:

(₹ in Crore)

Particulars	Provident Fund	
	Current Year	Previous Year
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1 st April 2022	37,507.53	35,946.22
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 st March 2023	39,138.17	37,507.53
Change in Plan Assets		
Opening fair value of Plan Assets as at 1 st April 2022	38,426.83	37,036.39
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 st March 2023	40,122.71	38,426.83
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at 31 st March 2023	39,138.17	37,507.53
Fair Value of Plan assets at 31 st March 2023	40,122.71	38,426.83
Deficit/(Surplus)	(984.54)	(919.30)
Net Asset not recognized in Balance Sheet	984.54	919.30
Net Cost recognized in the profit and loss account		
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	-	-
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	1,523.66	1,527.66
Reconciliation of opening and closing net liability/ (asset) recognized in Balance Sheet		
Opening Net Liability as at 1 st 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	-	-

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Investments under Plan Assets of Provident Fund as on 31st 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%
Total	100.00%

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 31st day of March); or
 - b) three percent per annum, subject to approval of Executive Committee.
- ii) The rules of the SBI Life Insurance Company Ltd.'s Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company.

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 1st 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
Total		67.48	53.85

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
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1 st April 2022	10,381.62	8,190.87
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 st March 2023	11,078.32	10,381.62
Net Cost recognized in the profit and loss account		
Current Service Cost	330.20	458.65
Interest Cost	754.41	558.35
Actuarial (Gain)/Losses	749.41	2,571.66
Total costs of defined benefit plans included in Schedule 16 "Payments to and provisions for employees"	1,834.02	3,588.66
Reconciliation of opening and closing net liability/(asset) recognized in Balance Sheet		
Opening Net Liability as at 1 st April 2022	10,381.62	8,190.87
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)
Net Liability/(Asset) recognized in the Balance Sheet	11,078.32	10,381.62

SCHEDULES

forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31st 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:

- a) **Treasury:** The Treasury Segment includes the entire investment portfolio and trading in foreign exchange contracts and derivative contracts. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and interest income on the investment portfolio.
- b) **Corporate/Wholesale Banking:** The Corporate/Wholesale Banking segment comprises the lending activities of Corporate Accounts Group, Commercial Clients Group and Stressed Assets Resolution Group. These include providing loans and transaction services to corporate and institutional clients and further include non-treasury operations of foreign offices/entities.
- c) **Retail Banking:** The Retail Banking Segment comprises of retail branches, which primarily includes Personal Banking activities including lending activities to corporate customers having banking relations with these branches. This segment also includes agency business and ATMs

d) Insurance Business: The Insurance Business Segment comprises of the results of SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd.

e) Other Banking Business: Segments not classified under (a) to (d) above are classified under this primary segment. This segment also includes the operations of all the Non-Banking Subsidiaries/Joint Ventures other than SBI Life Insurance Co. Ltd. and SBI General Insurance Co. Ltd. of the group.

B) Secondary (Geographical Segment):

a) Domestic Operations - Branches, Subsidiaries and Joint Ventures having operations in India.

b) Foreign Operations - Branches, Subsidiaries and Joint Ventures having operations outside India and offshore banking units having operations in India.

C) Pricing of Inter-segmental Transfers

The Retail Banking segment is the primary resource mobilising unit. The Corporate/Wholesale Banking and Treasury segments are recipient of funds from Retail Banking. Market related Funds Transfer Pricing (MRFTP) is followed under which a separate unit called Funding Centre has been created. The Funding Centre notionally buys funds that the business units raise in the form of deposits or borrowings and notionally sell funds to business units engaged in creating assets.

D) Allocation of Revenue, Expenses, Assets and Liabilities

Expenses of parent incurred at Corporate Centre establishments directly attributable either to Corporate/Wholesale and Retail Banking Operations or to Treasury Operations segment, are allocated accordingly. Expenses not directly attributable are allocated on the basis of the ratio of number of employees in each segment/ratio of directly attributable expenses.

The Group has certain common assets and liabilities, which cannot be attributed to any segment, and the same are treated as unallocated.

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forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31st March 2023

2.3.2 Segment Information

Part A: Primary (Business) Segments:

(₹ in Crore)								
Business Segment	Treasury	Corporate/ Wholesale Banking	Retail Banking			Insurance Business	Other Banking Operations	Total
			Digital Banking	Other Retail Banking	Total			
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)
Total Revenue								4,73,378.14
								(4,06,973.09)
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)
Other Information:								
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)
Total Assets								59,54,418.32
								(53,60,883.53)
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)
Total Liabilities								55,95,487.00
								(50,55,295.48)

(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 31st March 2023.

*As at 31st March 2023.

As per RBI Circular DOR. AUT.REC.12/22.01.001/2022-23 dated 7th 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 31st 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/ Joint Ventures	Key Management Personnel & their relatives	Total	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Outstanding as at	31st March 2023			31st March 2022		
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	-	-	-
Maximum outstanding	During FY 2022-23			During FY 2021-22		
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/ Joint Ventures	Key Management Personnel & their relatives	Total	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
During the year	During FY 2022-23			During FY 2021-22		
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 1st April 2001:

The details of financial leases are given below:

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Total Minimum lease payments outstanding		
Less than 1 year	75.21	66.04
1 to 5 years	233.10	140.00
5 years and above	49.63	56.83
Total	357.94	262.87
Interest Cost payable		
Less than 1 year	21.95	11.61
1 to 5 years	38.63	20.83
5 years and above	7.97	11.75
Total	68.55	44.19
Present value of minimum lease payments payable		
Less than 1 year	53.26	54.43
1 to 5 years	194.47	119.17
5 years and above	41.66	45.08
Total	289.39	218.68

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2.5.2 Operating Lease

Premises taken on operating lease are given below:

Operating leases primarily comprise office premises and staff residences, which are renewable at the option of the group entities.

Liability for Premises taken on Non-Cancellable operating lease are given below:

(₹ in Crore)

Particulars	As at 31.03.2023	As at 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
Total	562.32	635.64

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
Basic and diluted		
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 31.03.2023	As at 31.03.2022
Deferred Tax Assets (DTA)		
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
Total	22,253.55	17,287.29

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Deferred Tax Liabilities (DTL)		
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
Total	11,120.97	10,547.75
Net Deferred Tax Assets/(Liabilities)	11,132.58	6,739.54

- 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
	Total	37,024.41	40,059.15

(Figures in brackets indicate credit)

➤ Floating provisions:

(₹ in Crore)

Sr. No.	Particulars	Current Year	Previous Year
a)	Opening Balance	193.75	193.75
b)	Addition during the year	-	-
c)	Draw down during the year	-	-
d)	Closing balance	193.75	193.75

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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)	Closing balance	3,115.33	3,669.17

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 31st March 2022, based on the conditions mentioned in RBI circular No. DOR.ACC.REC.No.74/21.04.018/2022-23 dated 11th October 2022.

5. **Counter Cyclical Provisioning Buffer (CCPB)**

RBI vide Circular No. DOR.STR.REC.10/21.04.048/2021-22 dated 5th 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 31st 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 31st March 2023 towards arrears of wages due for revision w.e.f. 1st November 2022.
7. Pursuant to the revision in family pension payable to employees of the Bank covered under 11th Bi-Partite settlement and Joint Note dated 11th 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 31st 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 31st 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 31st 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 31st 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 31st March 2023.
12. The Central Board of SBI has declared a dividend of ₹11.30 per share @ 1130% for the year ended 31st 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.

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forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended 31st 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: 18th May 2023

(000s omitted)

Particulars	Year ended 31 st March 2023 (Current Year) ₹	Year ended 31 st March 2022 (Previous Year) ₹
Cash Flow from Operating Activities		
Net Profit/(Loss) before taxes (including share in profit from associates and net of minority interest)	74488,30,41	48756,34,30
Adjustments for:		
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
	106669,43,75	84334,37,57
Adjustments for:		
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
	(68689,95,74)	66719,14,94
Tax refund/(Taxes paid)	(17323,72,22)	(9024,30,30)
Net Cash Generated from/(used in) Operating Activities (A)	(86013,67,96)	57694,84,64
Cash Flow from Investing Activities		
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
Net Cash Generated from/(used in) Investing Activities (B)	(4040,96,90)	(3618,51,32)

State Bank of India

Consolidated Cash Flow Statement for the year ended 31st March 2023

(000s omitted)

Particulars	Year ended 31 st March 2023 (Current Year) ₹	Year ended 31 st March 2022 (Previous Year) ₹
Cash Flow from Financing Activities		
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
Net Cash Generated from/(used in) Financing Activities (C)	6386,38,20	(3844,51,37)
Effect of Exchange Fluctuation on Translation Reserve (D)	3075,05,46	966,26,65
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C+D)	(80593,21,20)	51198,08,60
Cash and Cash Equivalents as at 1st April	398905,12,17	347707,03,57
Cash and Cash Equivalents as at 31st March	318311,90,97	398905,12,17
Note:		
1 Components of Cash & Cash Equivalents as at:	31.03.2023	31.03.2022
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
Total	318311,90,97	398905,12,17

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)

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: 18th 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 31st 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 22nd January 2023) and 18 Associates (includes Financial Statements of Jio Payments Bank Ltd. from 23rd 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 31st 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 31st 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
Key Audit matters reported in standalone financial statements of the Bank:		
i.	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): Advances include Bills purchased and discounted, Cash credits, Overdrafts, Loans repayable on demand and Term loans. These are further categorised as secured by Tangible assets (including advances against Book Debts), covered by Bank/Government Guarantees and Unsecured advances. Advances constitute 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. 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. The bank is in the continuous process to upgrade existing & 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 14th 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. 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. 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.	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, - 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; - 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; - Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines/ Judicial pronouncements; - 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. - 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. - We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection. - In carrying out substantive procedures at the branches 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. - We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provision; - Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication.



Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	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. Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.	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.
ii.	Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 2 of Schedule 17 to the financial statements): Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities. Investments constitute 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. 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. Accordingly, our audit was focused on valuation of investments, classification, identification of non performing investments and provisioning related to investments.	Our audit approach towards Investments with reference to the RBI Circulars/directives included the 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 ; 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; b. We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments; c. For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample; d. We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision; e. We carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs; f. We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions.

Independent Auditors' Report

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
iii.	Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims filed by other parties not acknowledged as debt (Schedule 12 read with Note 18.13 of Schedule 18 to the financial statements): There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own 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. 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.	Our audit approach involved: - Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances; - Understanding the current status of the litigations/ tax assessments including the status up to the date of auditor's report; - Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon; - 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; - 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 - Verification of disclosures related to significant litigations and taxation matters.
Key Audit Matters as reported by auditors of SBI Life Insurance Company Limited:		
iv.	Information Technology systems and controls (IT Controls): 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. 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.	Principal audit procedures: - Sample testing of key control over IT systems having impact on financial accounting and reporting. - 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 - 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. - Reviewed the report of independent information system auditors which has confirmed the various system control measures adopted by the company.

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
v.	Valuation of Investments: The company's investment portfolio consists of Policyholders' investments (traditional and unit linked policy holders) and Shareholders investment. Total investment portfolio of the company (i.e Asset under management (AUM)) represents 99.3 per cent of the Company's total assets. 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. 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. 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. 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. 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.	Principal Audit Procedures: • We assessed appropriateness of the pricing methodologies with reference to IRDAI Investment Regulations, Financial Statement Regulation, Company's internal investment and valuation policy. • 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. • 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. • For quoted investments, the valuation was done in accordance with the independent prices sources / market prices in an active market. • 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.

Independent Auditors' Report

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
vi.	Contingent Liabilities and Litigations: 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. 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.	Principal Audit Procedures:- • 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. • 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. • 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.
Key Audit Matters as reported by auditors of SBI Capital Markets Limited:		
vii.	Evaluation of uncertain tax positions: The company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.	Principal Audit Procedures: We evaluated the Company's processes and controls for monitoring the tax disputes. 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.

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 22nd 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 23rd 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 31st 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 17th 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 19th 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 31st 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 31st 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 31st 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. (upto 30th November 22)	19.	SBI Canada Bank - Unaudited
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. (upto 30th September 22)	22.	State Bank of India Servicios Limitada
9.	SBI Mutual Fund Trustee Company Pvt Ltd.	23.	SBI (Mauritius) Ltd.
10.	SBI Payment Services Pvt. Ltd.	24.	PT Bank SBI Indonesia
11.	SBI Pension Funds Pvt Ltd.	25.	Nepal SBI Bank Ltd.
12.	SBI Life Insurance Company Ltd.	26.	Nepal SBI Merchant Banking Limited
13.	SBI General Insurance Company Ltd.	27.	State Bank Operations Support Services Pvt. Ltd. (w.e.f 26th July 22)
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. (upto 22nd January 23)

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. - Unaudited
8.	Nagaland Rural Bank	18.	Investec Capital Services (India) Private Limited
9.	Utkal Grameen Bank	19.	Jio Payments Bank Ltd. (w.e.f 23rd January 23)
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 Servicos 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)	Bank 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)	Bank 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	Pradesh India	Yes	Consolidated as per AS 23	No	Not applicable	Not applicable	Associate: Not under scope of Regulatory Consolidation
38	Chhattisgarh Gramin Bank	Rajya 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) ^s	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity) [#]	Remarks
1	SBI Capital Markets Ltd	India	Merchant Banking and Advisory Services	2,613.03	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) ^{\$}	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity) [#]	Remarks
17	Commercial Indo Bank Llc, Russia 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) 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 & 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.	- 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. - 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%.
SBI General Insurance Co. Ltd.	As per regulations, the only way to transfer capital to parent Bank is to pay dividends in accordance with Section 49 of Insurance Act, 1938.
SBI 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.	- 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. - Further, in terms of Companies Act, wherever approval of Board / Shareholders are required, the company will comply the same.

Subsidiaries	Restrictions
SBI Capital Markets Ltd.	- Transfer of capital from SBICAP to the parent SBI, would be subject to the below: - 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. - 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. - 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. - SBICAP has an internal Risk policy of maintaining a minimum CAR of 15.00. - All of the above would be subject to the approval of the Board of SBICAP.
SBI Global Factors Ltd.	- 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. - A Company cannot hold NBFC-Factors license unless it maintains and continues to maintain, an amount paid as Net Owned Funds. - 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. - Every Company registered as NBFC- Factors shall maintain minimum Net Owned Fund (NOF) of ₹5 Crore as required by Factoring Regulations Act, 2011. - Companies Act also stipulates some conditions for transfer of capital by way of buy-back of shares or distribution as dividends. - There are no specific restrictions on transfer of funds or regulatory capital in Articles of Association of the Company. - 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.
SBI-SG Global Securities Services Pvt. Ltd.	- 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. - 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.

Pillar 3 Disclosures

Subsidiaries	Restrictions
SBI DFHI Ltd.	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: - Any change in the shareholding pattern / capital structure of SPD shall need prior approval of RBI. - SPDs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio (CRAR) of 15 per cent on an ongoing basis. - SPDs shall follow the following guidelines while declaring dividend distribution: - SPDs that meet the following minimum prudential requirements shall be eligible to declare dividend: - 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. - 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. - SPDs shall comply with the provisions of Section 45 IC of the Reserve Bank of India Act, 1934. - 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. - 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. - 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.
SBI Pension Funds Pvt. Ltd.	- 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. - 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. - 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. - 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. - The Capital can be paid to the parent with the Board and Shareholders approval and fulfilling the PFRDA regulations & the provisions of the Companies Act, 2013
SBI Payment Services Pvt. Ltd.	- There are no restrictions or impediments on transfer of funds or Regulatory capital as per JV agreement. - Transfer of funds is subject to approval from SBI Payments Board and JV partners.
State Bank Operations Support Services Pvt. Ltd.	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.

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 31st 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:

- 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

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 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
Total		32,46,527.02	91,874.12	33,38,401.14	5,10,596.72

Table- B DF-3 (e) SBI (CONSOLIDATED) Residual contractual maturity breakdown of assets as on 31.03.2023*

INFLOWS	₹ In Crore)										TOTAL
	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	
1 Cash	21553.25	10.40	0.00	0.01	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	49870.56	46041.86	24971.64	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	76361.85
4 Investments	13912.15	19047.81	64673.83	104663.86	306716.57	242920.25	585216.84	126207.98	26085.01	7466.82	1605804.19
5 Advances	31452.55	26065.30	23933.02	55036.81	91346.93	68494.18	197461.92	242929.71	1179095.60	498168.06	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	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	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:

- i) Insurance entities, Non-financial entities, JVs, Special Purpose Vehicles & Intra-group Adjustments are excluded.
- ii) Investments include Non-Performing Investments and Advances includes Non-Performing Advances.
- iii) The Bucketing structure has been revised based on the RBI guidelines dated March 23, 2016.

DF-4: CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

As on 31.03.2023

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
	Total	38,48,997.86

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,

- has a well-founded legal basis for concluding that the netting or offsetting agreement is enforceable in each relevant jurisdiction regardless of whether the counterparty is insolvent or bankrupt.
- is able at any time to determine the loans/advances and deposits with the same counterparty that are subject to the netting agreement; and
- monitors and controls the relevant exposures on a net basis, it may use the net exposure of loans/advances and deposits as the basis for its capital adequacy calculation. Loans/advances are treated as exposure and deposits as collateral.

- **Policies and Processes for Collateral Valuation and Management**

The Bank has an integrated Credit Risk Management, Credit Risk Mitigation and Collateral Management Policy in place which is reviewed annually. Part B of this policy deals with Credit Risk Mitigation and Collateral Management, addressing the Bank's approach towards the credit risk mitigants used for capital calculation.

The objective of this Policy is to enable classification and valuation of credit risk mitigants in a manner that allows regulatory capital adjustment to reflect them.

The Policy adopts the Comprehensive Approach, which allows full offset of collateral (after appropriate haircuts), wherever applicable against exposures, by effectively reducing the exposure amount by the value ascribed to the collateral. The following issues are addressed in the Policy:

- Classification of credit risk-mitigants
- Acceptable credit risk-mitigants
- Documentation and legal process requirements for credit risk-mitigants
- Valuation of collateral

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

(a) The general qualitative disclosure requirement with respect to securitisation including a discussion of: The bank's objectives in relation to securitisation activity, including the extent to which these activities transfer credit risk of the underlying securitised exposures away from the bank to other entities.	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; @ A bank may have provided support to a securitisation structure in the form of an interest rate swap or currency swap to mitigate the interest rate/currency risk of the underlying assets, if permitted as per regulatory rules. # A bank may provide credit protection to a securitisation transaction through guarantees, credit derivatives or any other similar product, if permitted as per regulatory rules.	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) 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
(c) In the banking book, the names of ECALs used for securitisations and the types of securitisation exposure for which each agency is used.	Not Applicable
Quantitative Disclosures: Banking Book	
(d) The total amount of exposures securitised by the bank.	Nil
(e) For exposures securitised losses recognised by the bank during the current period broken by the exposure type (e.g. Credit cards, housing loans, auto loans etc. detailed by underlying security)	Nil
(f) Amount of assets intended to be securitised within a year	Nil
(g) Of (f), amount of assets originated within a year before securitisation.	Not Applicable
(h) The total amount of exposures securitised (by exposure type) and unrecognised gain or losses on sale by exposure type.	Nil
(i) Aggregate amount of:	
On-balance sheet securitisation exposures retained or purchased broken down by exposure type and	Nil
Off-balance sheet securitisation exposures broken down by exposure type	Nil

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
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	₹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 ¹	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
Total	3663.54	Nil	3663.54

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
Total capital charge	168.42	-	-	168.42

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)
Category	31.03.2023
Interest rate Risk (including Derivatives)	12,373.98
Equity Position Risk	10,894.61
Foreign Exchange Risk	902.31
Total	24,170.90

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 31st 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 31st 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 31st 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

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	
Total	1926408.04	11694.62	50179.47	
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)
Common Equity Tier 1 capital: instruments and reserves		
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
Additional Tier 1 capital: instruments		
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
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	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
Tier 2 capital: instruments and provisions		
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

(₹ 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)**

Tier 2 capital: regulatory adjustments

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

Capital ratios and buffers

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

National minima (if different from Basel III)

69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00
71	National total capital minimum ratio (if different from Basel III minimum)	9.00

Amounts below the thresholds for deduction (before risk weighting)

72	Non-significant investments in the capital of other financial entities	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

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(₹ 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)
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 financial statements	Balance sheet under regulatory scope of consolidation
		As on reporting date	As on reporting date
A	Capital & Liabilities		
i	Paid-up Capital	892.46	892.46
	Reserves & Surplus	3,58,038.86	3,43,398.27
	Minority Interest	12,836.62	6,102.95
	Total Capital	3,71,767.94	3,50,393.68
ii	Deposits	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	Borrowings	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	Other liabilities & provisions	5,92,962.92	2,80,022.21
	Total	59,54,418.32	56,21,513.08
B	Assets		
i	Cash and balances with Reserve Bank of India	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	Investments	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	Loans and advances	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	Fixed assets	44,407.38	43,562.02
v	Other assets	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	Goodwill on consolidation	1,538.36	1,538.36
vii	Debit balance in Profit & Loss account	-	-
	Total Assets	59,54,418.32	56,21,513.08

Pillar 3 Disclosures

Step 2

(₹ in Crore)

COMPOSITION OF CAPITAL – RECONCILIATION REQUIREMENT		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference number
		As on reporting date	As on reporting date	
A	Capital & Liabilities			
i	Paid-up Capital	892.46	892.46	A
	of which: Amount eligible for CET 1	892.46	892.46	A1
	of which: Amount eligible for AT1	-	-	A2
	Reserves & Surplus	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	
	Total Capital	3,71,767.94	3,50,393.68	
ii	Deposits	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	Borrowings	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	Other liabilities & provisions	5,92,962.92	2,80,022.21	
	of which: DTLs related to goodwill	-	-	
	of which: DTLs related to intangible assets	-	-	
	Total	59,54,418.32	56,21,513.08	

(₹ in Crore)

COMPOSITION OF CAPITAL – RECONCILIATION REQUIREMENT		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference number
		As on reporting date	As on reporting date	
B	Assets			
i	Cash and balances with Reserve Bank of India	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	Investments	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	Loans and advances	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	Fixed assets	44,407.38	43,562.02	
v	Other assets	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	Goodwill on consolidation	1,538.36	1,538.36	D
vii	Debit balance in Profit & Loss account	-	-	
	Total Assets	59,54,418.32	56,21,513.08	

Step 3

(₹ in Crore)

Common Equity Tier 1 capital (CET1): instruments and reserves		Component of regulatory capital reported by bank	Ref No. (with respect to DF - 12: Step 2)
1	Directly issued qualifying common share (and equivalent for non - joint stock companies) capital plus related stock surplus	80007.94	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	
7	Prudential valuation adjustments	530.86	
8	Goodwill (net of related tax liability)	1538.36	D

B7: Revenue & Other Reserves is taken net of Integration & Development Fund (₹5 Crore)

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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

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:	
	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 HTM Category are made in Associates, Subsidiaries, Joint Ventures and RRBs. These are strategic in nature.
	Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices	Accounting and valuation policies for securities held under HTM category are detailed under Schedule 17 para 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) ¹³			₹164.01 Crore (Unrealised loss)
5	Total latent revaluation gains (losses) ¹⁴			₹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)
On balance sheet exposures	
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
Derivatives exposures	
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
Securities financing transaction exposure	
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
Other off balance sheet exposures	
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
Capital and total exposures	
20 Tier 1 capital	36,16,656.81
21 Total exposures (sum of lines 3,11,16 and 19)	6,18,34,861.41
Leverage ratio	
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:

BANKING - OVERSEAS	NON - BANKING
SBI Canada Bank	SBI Capital Markets Ltd.
State Bank of India (California)	SBI Cards & Payment Services Ltd.
SBI (Mauritius) Ltd.	SBI DFHI Ltd.
PT Bank SBI Indonesia	SBI Funds Management Ltd.
Commercial Indo Bank LLC, Moscow	SBI General Insurance Company Ltd.
Nepal SBI Bank Ltd.	SBI Global Factors Ltd.
State Bank of India (UK) Ltd.	SBI Life Insurance Co. Ltd.
	SBI Pension Funds Pvt. Ltd.
	SBI-SG Global Securities Services Pvt. Ltd.

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